

12.30 hrs.

APPROPRIATION (RAILWAYS)
NO. 2 BILL*

The Minister of Railways (Shri Jagjivan Ram): Sir, I beg to move for leave to introduce a Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1959-60 for the purpose of Railways.

Mr. Speaker: The question is:

"That leave be granted to introduce a Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the service of the financial year 1959-60 for the purpose of Railways.

The motion was adopted.

Shri Jagjivan Ram: Sir, I introduce the Bill.

APPROPRIATION (RAILWAYS)
BILL

Shri Jagjivan Ram: Sir, I beg to move** that the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1960-61 for the purpose of Railways, be taken into consideration.

Mr. Speaker: The question is:

"That the Bill to authorise payment and appropriation of certain sums from and out of the Consolidated Fund of India for the services of the financial year 1960-61 for the purpose of Railways be taken into consideration."

The motion was adopted.

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†Introduced with the recommendation of the President.

**Moved with the recommendation of the President.

Mr. Speaker: I will now put all the clauses together.

The question is:

"That clauses 1 to 3, the Schedule, the Enacting Formula and the Title stand part of the Bill."

The motion was adopted.

Clauses 1—3, the Schedule the Enacting Formula and Title were added to the Bill.

Shri Jagjivan Ram: Sir, I move that the Bill be passed.

Mr. Speaker: The question is:

"That the Bill be passed."

The motion was adopted.

12.32 hrs.

GENERAL BUDGET—GENERAL
DISCUSSION

Mr. Speaker : The House will now proceed with the general discussion of the General Budget for which 20 hours have been allotted. Under rule 207(3), I fix that 15 minutes will be the time ordinarily allowed for every hon. Member except for Leaders of Groups who would be allowed up to 30 minutes, if necessary. Shri Dange.

Shri S. A. Dange (Bombay City—Central): Sir, in discussing the Budget, I want to refer to certain questions of policy that arise from the construction of the Budget, certain questions of policy which were first admitted as part of Government's approach to the economic problems and which I feel, are now being reversed.

[Shri S. A. Dange]

Secondly, I wish to bring out, for the attention of the House, the fact that the Budget has usually certain "usual features" and even the Finance Minister has been pleased to note that the "usual feature" of "short investments" is also there as usual. So, in that way, the Budget may not be very characteristic of this particular year or characteristic of any new policy. But certainly, even the usuality that it should contain would illustrate certain new points also.

To proceed first on the question of the background in which the Budget has been framed. The background is a background of buoyancy, not only of the stock market but also of other spheres of economy. The background of this Budget unlike the background of the Budgets of 1958 and 1959 is that the recession under which we were functioning in the previous two years has been, more or less, overcome. Our recession was due not only to our economic functioning but was mainly a part of the world recession in the capitalist countries. As a result, as you might remember, a large part of our wealth was expropriated for the benefit of foreign capitalist monopolies through the method of falling prices of primary commodities which we exported to those countries. Those countries made a certain gain from the fall in price of those commodities of which we are the suppliers and they are the buyers; and as big buyers they dictated their terms also sometimes.

Now, that condition had affected our economy also; had affected our exports and imports; it had affected our plans and we were also suffering a certain recession. That recession was not in the heavy industries sector. Even under these conditions our engineering industry was developing. It was a very good feature. But the other sectors of economy suffered and, on the whole, there was a picture of a sort of depression.

Last year, our production has recovered almost in all branches. Even

that branch which rarely shows very little of control or very little of buoyancy, I mean the agricultural sector, is also reported to have done very well so far as production is concerned. So, we are getting this Budget in the background of the recession in world economy, that is capitalist economy, having been overcome. In fact, in England and America there is a sort of boom in the market, though these booms are not very permanent and you cannot rely on them very much. Even in England today, they are talking of controlling inflation even before they have hardly overcome recession of the past year.

I am referring to this factor because the boom in the American and the English markets is also one of the factors on which this Budget has relied for the hope that we might get more foreign aid. There is also the factor that in England and America and in those sectors of capitalist economy from which we expect some foreign aid, discussions have been going on that under-developed countries like India and others should receive more aid because if they do not do so these countries will get more aid from the socialist bloc like from the highly industrialised country of the Soviet Union; and, in that case, the political balance may be disturbed in the world and a condition of imbalance might come into existence. Because of these reasons we are now told that we will get some more foreign aid in the development of our Plans.

Of course, the visit of the Finance Minister may also be a factor in the buoyancy—I do not know. But, in any case, since there was buoyancy right in the American and English market and there was some amount of rethinking on the question of aid and since they had come to the conclusion that even if they do not give aid the other socialist countries are bound to help and this economic development of India is not going to be hampered—these factors have been predominant factors in raising hopes in the minds of our plan-

ners that we might get more help from the capitalist countries. So, there is a sort of perspective of greater development not only at the end of the Second Plan but also for the Third Five Year Plan.

This sort of condition of things is also helped by another fact of which, of course, the Budget is not expected to take note. The Budget is not supposed to discuss—at least in this the Finance Minister follows the line of strictly confining himself to Budgetary problems and figures—the international situation. At the same time, economy is very much affected by this factor. The international situation, as you know, because of the exchange of visits between the Soviet Union and American heads of Governments, the international tension has gone down. Therefore, more hope of economic aid to under-developed countries and doing something for the good of society and raising their standards has also become a very beneficial factor for the development of our economy.

So, internationally we should be hopeful about not being, firstly, hampered in development, and, secondly, of being helped in our development, though I do not wish to discuss whose weightage will be greater in the contribution to the help, whether the socialist help will be more or whether the capitalist help will be more. I am not discussing that. But the general perspective seems to be that the overcoming of recession in capitalist America, which though is a temporary phenomenon, and the overcoming of recession in our own country as a reflex of their recession is a factor which governs this Budget. Therefore, the Finance Minister is somewhat—if I cannot call it a happy position still—not in an unhappy position of imposing on the people very big loads of drastic taxation. Taxation is imposed no doubt; I will refer to it later. But he could have been worse. He has not been so bad as he could have been or should have been according to the tenets that were followed in the previous budgetary figures and taxation methods. But that is not a credit.

Shri M. P. Mishra (Begusarai): You are sorry for it.

Shri S. A. Dange: No, I am not sorry for it. I said, he is sorry for it.

Shri M. P. Mishra: You are sorry that he has not been so bad as he should have been.

Shri S. A. Dange: Therefore, Sir, international developments and situations are of help to us, as I said, and it is a good factor as a contribution to the development of our economy.

What are the claims made in the Budget as a result of this? The claim is that production is rising, the rate has been restored—previously the rate had fallen, now it has gone up and we have recovered all the fall that we were suffering from and the rate of production is up—the demand is up, markets are being cleared up, there is nowhere any hold-up of goods, there is no depression even in the classical industry of India, textiles, and that is also now in a very prosperous condition, and all accumulated stocks are being cleared up. Therefore, everything seems to be good.

What should follow from this? What is the line that has been put forward according to the Five Year Plan philosophy in this House, according to the philosophy as enunciated by all the Ministers on the Congress Benches? What is the philosophy that was told to us? It is that ever increasing production should lead to a rise in standards of living—how much is a minor matter, some rise in standards of living. The philosophy is that by ever increasing production, by putting volumes of goods in circulation it should reduce prices and people should get relief, while the country would go ahead with its development. That is, increase in production was made the *prima facie* condition to any further development, on the question of prices, standards of living, national income and so on.

[Shri S. A. Dange]

What we were led to expect was, prices are rising because there is shortage of production, standard of living is low because there is shortage of production and everything is in doldrums because there is shortage of production. 1959 is a year, according to the Finance Minister, of overcoming of recession and rising production in almost every branch including agriculture. Therefore, from the previous stand-point what should have been the result for the people? Economy is buoyant, economy is developing, production is developing, everything is going on smoothly and aid is also coming. The result should have been a fall in prices, supplies of essential goods to the consumers at controlled or some lesser prices than before, a certain rise in the standard of living and not much bickering over wage increase, because even the variable dividend index of industrial securities has risen more than last year and has risen by 17 per cent. So even in that sphere the employers cannot claim that it may be that production is developing but they do not get a share of it. A lot of share has come to their pockets.

Under such buoyant conditions the natural expectation should be an economy which is devoid of bickerings, irritation, conflicts, contradictions etc. on the question of prices, supplies, wages and so on. Is that the picture that we are getting? The Budget is quite honest in its formulation. The economic survey is quite honest in its formulation. It is honest because it cannot escape that honesty. They say: "Yes, production is rising but, unfortunately, we have to be vigilant". Vigilant about what? Vigilant in seeing that prices do not rise. But what about the present rise? They say: "Yes, it is so; we are sorry for that part". Though production is good, markets are good, supplies are good, everything is good, prices are going up.

What happens? What happens to the philosophy? What happens to the

economics of the Planning Commission? What happens to the economics of the gentlemen of the bourgeois economic school who say that given rise in production and buoyant economy there should be supply of more goods, lesser prices, rise in the standard of living? What happens to that theory? That theory is blown up.

And, the Budget simply says: "Let us be vigilant, vigilant in the future that the prices may not still go up". What about 1959 and beginning of 1960? The production is good, supplies are good and the international situation is good. Even then you get the phenomenon that wholesale prices are rising. In the period of four years it has risen by 20 per cent. Last year the cost of living index has gone up by 5 per cent. There is no possibility of the cost of living index going down, the consumer price index going down, people getting goods at lesser prices and there being a sort of an ease in the internal tension.

There may be a lessening of international tension in other spheres. There may be an increase in tensions on the boundary spheres. But this internal tension should have reduced, it should have come down, with the growth in economy. That tension on the contrary is increasing and cannot be controlled by the Finance Minister. The Budget shows that those who are guiding the economy are hopeless about controlling it, those who are guiding the economy are not hopeful of doing good to the people in the matter of these vital questions—prices, standard of living, real wages and so on.

I need not quote from the speech of the Finance Minister. He says:

"These pointers, taken together, indicate the need in the coming year for active vigilance in regard to domestic price trends and continued austerity in imports backed

by accelerated effort to step up exports."

So there is even talk of austerity. When prices are rising even in the matter of consumption, he calls for austerity by means of saving. Saving from whom, for whom and for what purpose?

Therefore, Sir, despite the background of the Budget being so good so far as development is concerned, it gives us a picture in which the Budget attacks the people further. It does not give relief to the people. Therefore, the conclusion would be that the leaders of economy as represented by the Finance Minister are unable to take advantage of the lessening of tension, of the growth in economy; they are unable to take advantage of these factors in giving relief to the people in the matter of prices, in the matter of supplies. Therefore, their economic claims are blown up sky high, their philosophical and theoretical claims are blown up sky high and their economy is proved to be an economy of capitalists on the rampage.

One would ask "Why?". It is because our economy is in the hands of a few things like the banks, wholesalers' grip on essential goods and so on. The picture of banks, the picture of essential goods and so on, being subject to monopoly control for private profit, increase in national production does not benefit the producer or the citizen of the country, it only benefits the controllers of monopoly economy or the private monopoly groups. Therefore, the price mechanism cannot be controlled by the Government of India despite their will or absence of will, I do not know which.

I do not know whether they wish to control. I am given the impression that they talk about control but they are unable to do it or sometimes they are unwilling to do it. Therefore, Sir, this is a most dangerous trend, that in an economy which is developing so

well we should be faced with a complete negation of all the principles which underline the Five Year Plan.

Another point is, has development reduced the disparity in incomes? The disparity in incomes could be easily reduced only by one mechanism, and that is by raising the salaries and wages of the working people and giving returns to the peasantry from their own production. That is the only method of reducing disparity. What is the practice in this respect? The very opposite. I do not know whether the Government of India as a whole is involved in that. I should take it that it is. Why should I unnecessarily hold the Finance Minister personally responsible for a practice which goes in the name of the whole Government. The policy as contained in the Five Year Plan, envisaged rising development, rise in standard of living of the masses and to see that the disparities should be overcome; the method was, of course, increase in wages and so on.

We had a talk just now—the talk of about the strike in the State Bank and so on. What is the policy the Government of India is going to follow in this? We had come to a general convention that at least in a developing economy the minimum wage should be need-based and raised on the basis of needs which were computed. The computation was done by the 15th Indian Labour Conference, a tripartite conference. Accordingly we had appointed a Pay Commission. In that Pay Commission the Finance Ministry made a statement that they are not bound to consider the tripartite conference's conclusions as any valid agreement or any valid principle on the basis of which they should devote their attention to the question of wages. That single factor demolished all the basis of the labour policy for the Five-Year-Plan, of utilising the developing economy in order to give relief to the working people. In all the appeals addressed to the working people so far they had said that if they increased production, their standard of living and their wages would go up. But all

[Shri S. A. Dange]

these appeals become groundless, baseless and have been betrayed by the Finance Ministry. The result is that the Pay Commission's report has now angered all the State Government employes. Even the little increase of Rs. 10 which they have been given is neutralised by another compulsion imposed on them in respect of the provident fund.

So, there is, instead of an atmosphere of content and some satisfaction—though not full satisfaction—an atmosphere of irritation. And that atmosphere has not burst out in the form of strike for the simple reason that their leadership is not united; they have not got a centralised organisation and their leadership is not in a position to give a call for united, solid action on the part of the State Government employes. But because they cannot do that, it is not a situation for complacency; it might burst at any moment.

Similarly, you will find the same thing in other directions. The capitalist and the bigger employers, some of whom are in this House, said: "Increase production and also remember the consumer". Just now they were pleased to note that there is a third party in the country, in the economy, and that is the consumer, and their interests are also to be considered. I agree. But what has happened in the textile industry? In the textile industry, even before any wage increase was given, the prices had risen. The stocks had gone underground, and even the millowners at Bombay had come out and said: "We are very sorry the prices have gone up, but we cannot help it". They put the blame on the cotton market and somebody else. Here you had a phenomenon; when the economy was recovering, when consumer goods were coming into the market, the textile prices were going up without any increase in wages. The same phenomenon happened in sugar; the same phenomenon happened in other fields. Prices have been rising without any rise in wages,

and yet, when we come forward to claim higher wages, because of rising production, we are told, "If you get higher wages, that will add to inflation and rise in prices". Again and again, this discredited theory which is only a servant of the capitalist class to serve their interests and deny the wages to the workers, is brought forward: "Any increase in wages means higher prices and the price gets into an inflationary trend because of rising wages".

Study the price of all the essential goods in this country in the last one year and you will find that rise in price has taken place mostly without any increase in wages. Even on the basis of productivity, let it be judged. You will find that the productivity of the working class has risen. Take, for example, the Hindustan Machine Tools, the finest unit in India today for machine tools. Where formerly four Indian workers were equivalent to one Swiss worker in producing a lathe, today, 0.92 worker produces that same lathe after four years of productivity study. The Governor of the Reserve Bank of India has admitted that the productivity of the Indian worker has risen and is rising fast. The technical skill is going up. For example, take the achievement of Bhakra Nangal; that should certainly make everyone proud of the Indian engineer, the Indian worker and the technician; despite the threats and boasts of the American specialists, their advice was set aside and the Bhakra tragedy was averted.

Many other schemes show our skill. In spite of these, what is the share that the workers get in the increasing wealth? What has the budget done in order to increase the share? What has the budget, as a policy, put forward before the country in order to increase the share of the toiling people in the growing wealth of the country? The reply of the budget, is, not only that prices may not be controlled but "we shall contribute to increase in prices" It is not the wages that is

going to increase the price of consumer goods, but it is the taxation that is coming in the budget that will add to inflation and price rise and ultimately will lead to the lowering of the standard of living.

I need not take the time of the House in mentioning the items which are being taxed in the budget. The best representation can be found—if nobody understands finance—in the *Shankar's Weekly*. At least those who can understand humour with a content of politics and economics, can find the best illustration of the budget and the taxation as given by *Shankar's Weekly*. That illustration shows the way the Finance Minister has run amuck in the streets. I mean no disrespect to his personality or morality. I am citing an example. The Finance Minister is shown as running amuck among the users of scooters, diesel oil and ladies' shows and all that, and grabbing and grabbing all those things he ultimately puts the whole thing in a sack and quietly goes to sleep, while those wonderful gentlemen wonder what has happened to our national economy and our socialism and our budget! Though it is done in a humorous vein and in a satirical vein, yet, it illustrates the truth of the budget very vividly and very clearly and it can be understood even by men who do not understand finance or who do not understand economy. Therefore, the policy in this budget is, despite increased production, not to allow the standards of living of the consumer or the working people to go up.

That is illustrated in the State Bank strike also. I was surprised, and I do not want to intervene in that topic now, because I know it would come up afterwards, but this fantastic policy has just now found an illustration. The Finance Minister said the workers claim is Rs. 4 crores, and asked "How can you negotiate a fantastic claim?" But did he suggest what would be a reasonable claim on which we could negotiate? Did he suggest a reduction to Rs. 2 crores? Did he suggest Rs. 50 lakhs? Did he suggest Rs. 10

lakhs? Did he suggest what could be a reasonable charter of demands on which he could negotiate, though he may not concede? It is a very well known axiom in labour circles: that though first you put a demand of Rs. 100, the worker knows he is not going to get Rs. 100. But that cannot be made a pretext for denying negotiation. And yet, here we are told that as a matter of principle, "you should not threaten us with strike because it is a developing economy. We have to build a Plan, and therefore you should negotiate and conciliate and have arbitration instead of strike". We had arbitration for the Government employees, we got a Pay Commission, which instead of setting properly the norms of wages and living, instead of giving a wage increase straightforwardly in a full measure, invited scientists to help them in order to cut the increase!

You know very well the way in which the Pay Commission has gone about the job. They knew wages will have to be increased, as the need-bases were laid down. So, they started to enquire into the calorific value of the worker in a way as would reduce it by some arrangement and which should then be evaluated in terms of consumer price and would help in lowering a wage increase! May be some Finance Ministers are able to live on 1,500 calories. While their calorific value may be less, other values are more, because when you consume orange juice, you may not consider the calorific value but then it has got other values which of course give you wonderful culture and a greater power to make such a budget like this. These things have nothing to do with calorific value. But what is the use of putting forward an excuse and saying, "If I can live on 1,500 calories, why should not others live on 1,500 calories?" You have got a supplement of a meal of *dahi* and honey straight from the Santhal forests—I do not know from where else—and all these adjuncts....

Shri C. D. Pande (Naini Tal): He does not take meat.

Shri S. A. Dange: I never said meat. I am very particular about that. He is absolutely a non-violent gentleman as far as that is concerned. I agree with that. Though he may not be non-violent with regard to labour disputes, yet in personal diet he may be non-violent, though I do not know whether cutting down a leaf of grass or blade of grass is strictly non-violent, according to the theory of certain spiritualists. But that is by the way.

The Pay Commission went into this problem in a peculiar way and a Finance Minister or somebody from Bombay who is also a physician was invited to lay down a principle whether the calorific value could be reduced. He pointed out the example of a Japanese worker instead of an Indian worker, and said, Indians are low-sized and they should have low calories. Would it reduce the calories for the Marathas who are low-sized and increase it for the Punjabis who are high-sized? The Institute wrote back: "We do not know whether the low size of the Indian is due to the fact of mal-nutrition. So, we do not wish to say anything...."

13 hrs.

In this way, Government Commissions, Pay Commissions, composed of very amiable gentlemen, economists and theoreticians are going round in a surreptitious way to deny a rise in the standard of living of the working people, despite the fact that production is growing. We are certainly of the opinion that the economy must be helped to develop; it is developing, but the question is to whom are the gains going? What does the budget say in that matter? The approach of the budget to the whole problem and the policy of the Government of India is despite any rise in production, you should not expect any real rise of real wages. That is illustrated I have to repeat again—by the Pay Commission, the State Bank, the Textile Wage

Board, which has given an increase, but the mill-owners do not want to act upon it and so on. It can be illustrated in many other spheres by many other happenings.

What is the cure? The cure would be, of course, for the working class to act. The reply to this policy, reflected in the budget as well as the other policies of the Government of India which reduce the standards of living of the people, would be a fight for higher standards of living. That fight will be concentrated henceforward and should be concentrated on the question of D.A. You increase the prices; we fight for D.A. We are no longer bound to raise the question whether this is going to upset the budget or not; because, if the budget does not care for my living, why should I be bound by the policies of the budget as represented here? Therefore, any rise in prices would be met by a fight for more D.A.

I would appeal to the Congress benches and to the Government of India to follow a policy of controlling the prices. How can it be done? A firm control over the market against stockists and by means of taking over the big banks. Tremendous liquid money is floating in the banks and any amount of speculative activity is encouraged by the banks. The Finance Minister himself admits it; everybody knows it. PL 480 funds converted into rupees are running riot in the banking system in India. There are many other funds also available: evasion of taxes, leading to black money and so many other things are running riot in the system, which is leading of this disturbance of the price mechanism.

The price mechanism cannot be controlled merely by not raising the wages and by merely talking of deficit financing. Deficit financing will have to be done. But deficit financing does not necessarily lead to rise in prices. Deficit financing accompanied by strict control over prices and control over banking, if banking is taken over by the State sector, will not lead to rise

in prices, because in our economy deficit financing up to a point is a necessity. Therefore, I would say, henceforward if you approach the people with this problem of rising prices, they will have to reply by raising the momenta of movement to defend their standards of living. That would mean, every rise in price would be accompanied by a straightforward demand for a rise in D.A. whether in the private sector or public sector, including Government servants.

Referring to the question of taxes, I need not go into all the details. It is very plain that the whole trend always is, tax the poor and let the rich make more money. In the budget, that principle is there as usual. As usual, there is a shortfall in expenditure; as usual, there is this principle also of taxing the consumer goods of the poor people I do not know if the Finance Minister considers that the electric bulb is not a very great necessity for the common people. I think with the growth of electricity, it is a necessity. Tax on diesel engines and motor cars is bound to lead to a rise in transport costs. If rise in transport costs is met by a demand for a rise in D.A. what will be the reply of the Finance Minister: "No strike, no negotiations; nothing". If that reply is to be given, the working class also has its own reply to give, which they are giving in the State Bank and which they will give in other sectors also. But we do not want such a state of conditions to arise. If you do not want that, then you must change the policy which is underlined in the budget.

I come to one or two more problems. I do not know whether the Finance Minister and the External Affairs Ministry take credit for an amount of gold that is floating in the country, on which he can lay his hands on. That affects the question of administration. The administration is being criticised in several ways by several people; I do not want to go into that. It is being charged with many sins. It may be looked into later on, as the Government may decide. I

am not discussing the question as to who is involved in corruption and who is not involved in it. It is common-place to hear that corruption exists and it is also common-place to say that we should control it. I do not know how it is going to be controlled.

The LIC reports are already there. There have been speeches in the Upper House on this matter and I do not want to repeat it. But there is this factor of administration. A certain gentleman imports a lot of gold into this country, who is not the head of a State. I am referring to the Dalai Lama. This gold was taken from Tibet to Sikkim. We are responsible for the foreign relations of Sikkim. Did we, as being responsible for the foreign relations of Sikkim, know that this was exported and taken there? This gold belonged to a State which at that time at least, in 1950-51, was a friendly State, if you think it is not friendly now.

Shri Raghunath Singh (Varanasi):
It belonged to China.

Shri S. A. Dange: Even Tibet; let alone China. This gold belonging to the Tibetan people was brought into Sikkim. They brought it on mules and we are supposed to have lent them dakotas—an efficient method of smuggling, if I may be allowed to call it so. We take that gold. Was the question raised, whose it is? Was a diplomatic immunity allowed on that gold. It could not be, because it was not a head of a State bringing it here. The Government says that that gentleman is not functioning here as the head of a Government and we do not give shelter to Governments. If he is a private individual and if that gold was brought in here, in that case, under what law, under what functioning, under what principles, was it allowed to be done? There was a lot of gold coming from Arabia and Persia in small fishermen's boats. Shall we lend those fishermen motor-boats in order to help them in smuggling? After all, if it is private gold, private property, then the Government of India should

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have taken possession of it. Or, did they allow it to be imported? We should like to know about that.

Secondly, how is it going to be used, if it is done with Government's consent? The West Bengal Government gave help; the railways gave help and everything was given. If we feel that some Rs. 10 crores or Rs. 15 crores worth of gold is coming that the Finance Minister is so much in need of it, especially when it comes from Tibet and not from Arabia, what about its use? Whose is it? How is it to be used? Is it used in order to play the market and disturb the market?

We on our part bear the responsibility for maintaining the Dalai Lama as the head of the Buddhist Church and the refugees who have come here. Whether we like them or not is not the question; we have given them shelter and we are maintaining them. With Rs. 60 lakhs or Rs. 80 lakhs of gold in their hands, is it permissible for the Government to tax the people in this country to maintain this bunch of people, when they have got so much gold in their possession? I would like to know whether the Finance Minister will demand credit for the expenditure we have incurred on this question from the proceeds of this gold. I would like to know whether the great Buddhist Church in this country should not get the benefit of this gold for maintenance as charity and for the spiritual growth of Buddhism itself, though Lord Buddha may not have done such things? In any case, it does not matter; we are not going into that. Maybe, values change when centuries pass by from original religious conceptions and philosophy. This gold becomes quite a covetable thing even to those who believe that **अपरिग्रह** 'aparigraha' is one of the tenets of spiritualism and philosophy. But 'aparigraha'—of this gold—should it not be carried to the proper logical conclusion when it is now in Calcutta under our jurisdiction? Should it not

be appropriated, first, for the purpose of maintaining those people, secondly for taking away the load on our budget and reducing or doing away with our expenditure on their account—is that not the correct thing?—and, thirdly, helping and maintaining the indigent Buddhists in this country, of whom the former Scheduled Castes form a great part? I would like to know whether the Government of India would suggest the establishment of a nice factory from the investment of this gold of one crore or two crores of rupees to help the converted Buddhists, to give them full employment? It will be a Buddhist factory, employing absolutely indigent workers converted from untouchables to touchables of Buddhism.

Shri Raghunath Singh: What about the refugees who are coming from there?

Shri S. A. Dange: I think if you are in love with Buddhism, you can maintain them with your own private money. (Interruption) I could not hear the interruption.

Mr. Speaker: Let him alone.

Shri S. A. Dange: I will let him alone but I do not want to let this gold alone. I do not want all this sort of shady activities to develop round this thing which will disturb our social mechanism, disturb our social thinking, disturb our marketing mechanism, which will later on run to help financial interests which are inimical to the interests of the country. Already it is having another effect—creating rivalries of all sorts and bickerings inside the Buddhist groups themselves who have helped in smuggling the gold in—and one does not know what ultimately it will result in the famous China town of Calcutta and Kalimpong. In order to prevent this development, will the Finance Minister find some law somewhere, some policy somewhere by which he can take credit of Rs. 10 crores and reduce the deficit of Rs. 21 crores. Rs. 21 crores

or so are going to be raised by taxation on shoes, on diesel oil, on transport, and I think that sum could be very nicely reduced by that amount which has arrived to our fortune in the Calcutta banks due to the creditable activities of the Dalai Lama and his friends who may be here in this House also.

I have got these "constructive" suggestions. I hope you may not call it bad criticism. It is a constructive suggestion in the domain of finance, which is very much tottering, which is always on the side of the rich, taxing the poor. This is my suggestion.

Then I come to my last suggestion. I do want, certainly, that the budget should be so framed as to develop this country and lay down the foundations of a good Third Five Year Plan. Though the developmental direction in industry is good, it is correct—though it suffers from drawbacks like contradiction in policy, in hitting the people with taxation, the general standard of industrialisation is good—in order to help that what is essential is: control the monopolists, take over the banks, increase the State sector, raise the real wages of the working and producing people, reduce the prices and rate of taxation. If that is done by means of this budget when it goes over to voting, I think I shall be glad to say that the development grows more to the interests of our country, and the budget can be supported fully if it takes this direction.

Acharya Kripalani (Sitamarhi): Sir, I have great sympathy for the Finance Minister, and I express it in his absence. I hope the House too has great sympathy for him. Because, while he makes the budget, the budget has got to be made in accordance with the overall economic policy of the Government, for which he can be only partially and indirectly responsible. Under these circumstances, I feel that he has tried to do his poor best, poor because he is not the master in his own financial house.

The present budget proposes to raise Rs. 23 crores through additional tax-

ation. A large percentage of this, about 50 per cent, is to be raised from transport industry alone. The Finance Minister will say that if the Plans are to be fulfilled, more taxes must be raised and that, therefore, the commodities he has proposed for taxation are the least objectionable in his view. But, before new taxes are imposed, he must make sure that the old are properly collected. In this connection, I hope it is pertinent to ask why the revenue collections from income-tax and corporation tax etc. have not risen sufficiently and proportionately to profits and production. It is said that the rates of taxation on big incomes of individuals and corporations have reached the saturation point though big money is being made by many industrial houses. However, the total collections have lagged behind what can be reasonably expected. The amount of tax arrears is rising every year. In the latest report of the Tyagi Committee the amount of tax arrears at the end of 1958-59 was Rs. 271 crores. This figure differs slightly from the one given by the authorities. It may be that some part of this amount is not realisable. It is not realisable because proper measures are not taken in time.

Then, there is the problem of evasion. I think the necessity of imposing many of the new taxes could have been avoided if we devised ways and means to check tax evasion. While the precise amount of evasion is not known, yet, according to the estimate of an expert when the Government of India themselves had invited to this country, Professor Kaldor it was about Rs. 200 crores to 300 crores in the year 1953-54 and, everything increasing, this also is presumed to have increased. Even according to the Central Board of Revenue this amount is about Rs. 20 crores to 30 crores per year. One does not know where the truth lies but we can take it to be in between. I think there is a substantial amount which the Finance Minister can mop up with his strictness and

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firmness. This proves that the tax-gathering machinery is neither efficient nor honest. Further, while production during the last decade, even according to the figures of the Government, has increased more than 50 per cent, there is no proportionate increase in income-tax and corporate tax. And the Finance Minister has to heap upon the people indirect taxes which work for the hardship of the common consumer.

In the coming year, the Finance Minister expects the revenue from income-tax and corporation tax to go up from Rs. 150 crores to Rs. 187 crores. Undoubtedly, the rate of estimated increase is more than usual, yet, I must say, it is not quite adequate.

The expenditure on civil administration has been rapidly increasing, apart from that on military administration, which too has been increasing. In 1957 the expenditure on civil administration stood at Rs 122 crores. Within four years it is going to be more than double, that is, Rs. 268 crores. Making allowance for every development activity, as every development activity needs some civil and some recurring expenditure, a rise of 219 per cent increase in administrative expenditure in four years is in all conscience very excessive. This means that a large part of the additional tax revenues is being eaten up by the expanding civil services. The hon. Finance Minister will not deny that this expansion has been much more than warranted. But he can only say that he is not responsible for it but the whole Government.

A peculiar feature of the budgets now-a-days is the disappearance of revenue surpluses. Deficits are shown in the revenue budget apart from the capital budget. If the proceeds from all the huge additional taxes are eaten up by the revenue budgets, little remains for development. I know that in the current year the revised revenue deficit is lower than what was

originally estimated. Even if we assume that next year too the deficit will be less than Rs. 60 crores as estimated, that gives us little consolation. The Government must try to restore the revenue surpluses, through strictly regulated expenditure and economy.

I have referred to the high incidence of taxation on transport industry. I will give some figures. This industry was already heavily taxed. The additional burden that the hon. Finance Minister now proposes to impose is inequitous. The Masani Committee Report says that while the freight by rail is 6 nP per ton per mile, the incidence of tax alone, excluding the import duty on vehicles, is 7.44 nP. for petrol-driven and 4.28 nP per ton per mile for diesel-driven trucks. Besides the taxes on goods carried, the annual taxes paid by petrol trucks and diesel trucks themselves are very heavy. Now the position will be much worse. The hon. Finance Minister proposes an excise duty of Rs. 2,500 per vehicle. This is a very big amount. Again, he has imposed a duty of 10 per cent *ad valorem* on all types of internal combustion engines. This is double taxation, firstly as an independent engine and secondly as an independent truck. As if these were not enough, the hon. Finance Minister has raised the operating cost by increasing the duty on diesel oil by four annas a gallon.

There has also been a small increase in the duty on tyres and tubes. To some extent the duty on pig iron would also hit this industry. In bus body building, they use tin plates and some aluminium sheets. To that extent, again, the burden would be transferred to this industry.

This heavy taxation on bus transport will cause hardship to the people, specially those who are not served by the railways. It is taxing the mobility of goods and people. It would create difficulties in the marketing of village products at a time when better marketing facilities should be offered to mitigate the problems of rural

finance. From the figures I have quoted above, it is clear that while the railway charges 6 nP per ton per mile, the tax element alone on the motor vehicle comes to about 8 or 9 nP per ton per mile. I have a feeling that this increase is not only for revenue purposes. The main reason seems to be to give protection to the railways to cover up their ever increasing inefficiency. As in the Railway budget a surcharge of 5 per cent has been levied, so in the General Budget a far larger burden on transport has been imposed to prevent diversion from rail to road.

Further, I find that the Government is introducing the technique of taxing intermediate products, leaving out other luxury goods, such as, nylon, rayon and other costly fabrics, air-conditioners, frigidaires and other such commodities. Pig iron, aluminium and tin plates are extensively used in many industries. This will increase the manufacturing cost and also have an impact on the general price level.

During 1959, the cost of living went up by 5.2 per cent. This is over and above the rise in 1958 which was a year of acute shortage and soaring food prices. Now, the hon. Finance Minister wants to add to the already existing inflation by deficit financing of the order of Rs. 153 crores. If he really goes in for printing money to the extent of Rs. 153 crores, I am afraid it will be gambling with the fate of the people.

It is time we guarded our economy against inflation. May we ask the hon. Finance Minister and his Government why is it that in spite of a reduced Plan, there is larger deficit financing though there has been more of taxation in the period than planned for? The outlay for the public sector was to have been Rs. 4,800 crores. Of this, the foreign aid expectation was Rs. 800 crores, the total taxation in the period Rs. 850 crores and the maximum deficit financing Rs. 1,200 crores. This maximum, I submit, was also arbitra-

rily fixed. But even then the conditions which could justify this extent of deficit financing have not been fulfilled. The expected increase in production of consumer goods, specially food, has not materialised. The spiral of prices of the primary commodities has been rising. Further, the Plan was reduced by Rs. 200 crores and we got Rs. 200 crores more from foreign aid than we expected. We also see that instead of the target of Rs. 850 crores in five years, Rs. 975 crores have already been raised by way of taxation by the fourth year of the Plan. Yet, the Government proposes to exceed the farthest limit of deficit financing.

The Government may persist in denying the fact of inflation, but whoever runs may see it in his daily purchases. It is no use confusing the public with figures. The Government seems to say that their figures are correct. But when we say that these are not supported by facts and by our daily experiences, we are told, "So much the worse for the facts and for your experiences". "Our figures" they say, "can never be wrong". However, even the Reserve Bank Governor has repeatedly pointed out that in the present situation, the effectiveness of monetary policy is very very limited. This implies that the Government policy of printing notes, what they call treasury bills—a respectable name for public pickpocketing—should be controlled. The policy of inflation is more dangerous than any policy of taxation. It is the most insidious and regressive form of taxation, making the rich richer and the poor poorer. This is what has actually happened. The ex-President of the Congress, Shri Dhebar, himself pointed out this fact at Nagpur.

The imbalance in our economy, especially our failure in agriculture, is plain from the fact that we are facing difficult problems almost in every direction we look. We wanted to export cloth, or we were exporting cloth, but we are told that our cotton production has fallen and prices have

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increased. This has raised the cost of cloth production, and it has become difficult to compete in the export market.

Previously, we used to export a large quantity of vegetable oils. Now, the oil seeds production has not kept pace with even our internal demand. Therefore, not much of vegetable oil can be exported without raising prices at home.

We export jute manufactures, but not much has been done to improve the quality of jute. Therefore, the prices are rising and people in the world are seeking substitutes so that our market is lost.

I also find that the Commerce and Industry Minister said that there was a high demand for our potatoes and onions in South-East Asia, but the export had to be prohibited because we do not produce as much as we can consume ourselves.

We had thought of exporting sugar. Sugar comes up almost every year. I remember the sugar muddle some ten years back when in this House I said either the Government should rule or get out, and my hon. friends in the Congress—in those days I was also in the Congress—got very angry. Whether sugar production has declined or not, the fact remains that Government is not able to control the market, and we are not able to export large quantities as we had expected to do. Also, there is open black market. It is not a secret black market. Such an open black market shows only that the writ of the Government does not run. A Government is not worth its salt if its writ does not run.

This shows the utmost importance of increasing agricultural production without which we cannot solve our food problem, our foreign exchange problem, our export problem and the problem of price stabilisation.

Price stabilisation, without which no plan can be said to be scientific, is intimately connected with the production of food and other articles of every day necessity. Without increased food production and price stabilisation, the industrial edifice of our dreams will be built on such weak foundations that it might topple any moment. May one hope that greater attention will be paid to agriculture and price stabilisation?

It is very well to talk of quick industrialisation and the take-off point in our economy when our economy will be self-regulating, but nowhere has modern big and centralised industry grown without exploiting the consumer and the labourer, depressing agricultural economy and entailing general hardship. This was the case in the 19th century industrialisation on capitalist bases in the West. It is also characteristic of the recent rapid industrialisation in Communist countries. While Shri Dange was criticising things here, he was oblivious to the fact that all these phenomena have taken place in Communist countries where, in spite of Sputniks, a privileged class is rising and growing, and the masses are suffering for want of consumer goods and because of high prices. I do not know with what face the Communists can talk of these problems when they stand for rapid industrialisation. It is better to go slow than heap miseries on the present generation, and a few more—how many more, even the omniscient planners do not know. In our effort to industrialise quickly, we are also likely to forget, and our friends have forgotten the social and socialistic aims of our economy. These have been forgotten by Communist countries where all trade union activity has been suppressed and slave labour conditions prevail, and individual liberty exists no more. If we go in for rapid industrialisation, we cannot complain that there are high prices and the commodities of every day use are not available to the masses.

Earlier, I have talked of the increased expenditure on administration, civil and military. In other directions too, there is a good deal of extravagance and waste. The pomp and show that we maintain continues to be on the imperial scale and in imperial style. Our hospitality is on a very lavish scale. However, it does lack good form. We think we cannot be hospitable to our guests and do them honour unless we do it in a grand and extravagant way. We maintain highly paid posts with formal, nominal and ceremonial functions.

Wherever there is a real or fancied difficulty, we appoint committees and commissions consisting of many members, and their reports—where are they? They only encumber our archives. For food production, we have so far appointed a few committees, and we propose to appoint one more without consolidating the information incorporated in the earlier reports.

There is a great deal of duplication of work and little effort made towards co-ordination. For instance, we have for rural reconstruction, the Community Development projects, the welfare work of the Central Social Welfare Board, the extension work initiated by the Special Directorate of the Ministries of Food and Agriculture and Health; then we have co-operatives, the Khadi and Village Industries Board; we have a Handicrafts Board, and several philanthropic organisations working in the same field. These perform almost identical functions but there is no co-ordination. And in various other ways we waste the substance of the nation.

In our plants, big plants, it is very strange that we employ any number of foreign experts. I hear in Bhilai,—was it to help the Communists?—there are even now over 800 experts and engineers. There were more in the beginning. It is strange that any country should be able to spare so many experts for one plant in a

foreign country. I have a suspicion that these experts must be some sort of fitters and mechanics whom we pay extraordinary salaries. No private concern, in India, however great employs so many foreign experts, either in its big plants or anywhere else. Russia has put up a like plant in China; I wonder if Government know how many expert Russians were sent there.

13.41 hrs.

[MR. DEPUTY-SPEAKER in the Chair]

I am told that the number of experts was four or five and no more. While so many Russian experts are working in Bhilai and, perhaps a similar number in other projects, our own young men with technical qualifications remain unemployed.

I may not talk here of the degradation of public morals due to the prevalence of widespread nepotism and corruption, and consequent hoarding and black-marketing. I have talked of these things often. To administrative corruption has been added political corruption. Corruption was denied at first. Its existence is partially admitted today. It is said that it exists in the lower services. But it is here that the common people come in touch with our administration. And what is the worth of an officer if he cannot stop corruption in his own department but merely gives the reason that it exists only among his subordinates? No commercial firm could give such a reason. I hope some remedy will be found for checking this evil which corrodes the morals of the ordinary citizen who is not a very heroic person.

I have said that in our anxiety to achieve rapid industrialisation we are likely to forget our social aims. It is more than a decade since we accepted in our Constitution certain Directive Principles. One of them is that:

“The State shall so direct its policy that the operation of the

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economic system does not result in the concentration of wealth and means of production to the common detriment."

The Congress also adopted at Avadi a resolution on socialistic pattern. The Industrial Policy Resolution, both of 1948 and of 1956, were also designed to achieve the above objective. Parliament gave Government the necessary powers to implement the above Directives. In spite of all that, we wonder why we could not succeed in implementing these aims of ours.

I believe that one industrial house which was controlling a production of less than Rs. 10 crores annually before the adoption of the Constitution, is today controlling production worth more than Rs. 100 crores, which is ten times. The very same house is still expanding its industrial empire not only with the permission but with the active support of Government. Several other houses have expanded their business, three or four or five times more in recent years. I understand that under the Industries Regulation and Development Act, Government have given licence to another single organisation for putting up half a dozen major industries costing more than Rs. 25 crores. It is Government and the financial institution created by Government which are to provide all the money needed for setting up these units. It is common knowledge that Government gave guarantees to loans worth several crores of rupees borrowed by some units in the private sector. These units are allowed to expand, and in fact, they have expanded to almost double their original size. The fact is that the Directive Principles of the Constitution and the resolutions of the Congress and of this House have not been implemented. It is, therefore, a matter of deep regret that the present budget, as the former ones, bears no mark of any intention to serve the social ideal

which we profess, in so far as that ideal can be served through the budget. There is no effort to initiate, encourage or strengthen any egalitarian tendency. On the contrary, Government appear to be reconciled to the position that the existing glaring inequalities must remain and grow. Even our Prime Minister seems to have resigned himself to this position. In his speech, his emphasis now is exclusively on production; and he is impatient when questions regarding distribution are asked.

Production, of course, is necessary, and it is important, for, without it, there can be no distribution but it is dangerous to think that equitable distribution can be left to the future or to chance. This is the most incongruous attitude in development through planned economy. If it is real planning with any socialistic aims equitable distribution should be a built-in feature of the process of increased production itself. However, the working out of the Plans has been contributing to the increase of inequality. It is not only heartless, but I say it is fraudulent to suggest, as is constantly done, that the Plans must be paid for with present sacrifices by all, even by those who live below the subsistence level.

It is said that future benefits will be available to all. But, for some, the Plans mean present benefits. For them, the nation's money spent does not mean easier livelihood which they have always enjoyed but getting richer and richer and acquiring more and more power in the present and in the future. For these, the fruits of planning can be and are enjoyed here and now. Our top people live on a scale which, in terms of expense and material luxury, though not in terms of good sense and human dignity and good taste, is very high indeed. For the many, our socialism only means a sad present, for a probably happy future not for themselves but for their great great grand-

children and some of us may have none at all. These things make us very sad.

Shri Harish Chandra Mathur (Pali): A very legitimate grievance.

The Minister of Agriculture (Dr. P. S. Deshmukh): My hon. friend can adopt some.

Acharya Kripalani: I can adopt my hon. friend, and it will be very profitable also.

Even in religion, present troubles are to be compensated for by enjoyments in heaven, but, here, the future heaven of increased production and easy prices is not for those who suffer today but for their descendants.

The aims of our economic policies and plans seem to be as far from being fulfilled as ever. The problem of colossal unemployment yet remains to be tackled. The economic conditions of the masses, especially those living in the villages, remain the same. If their monetary income has increased, there is no increase in their real income. The disparities in incomes, as I have said, go on growing. May all this not be due to the fact that there is some misconception about our Plans and that they are defective? While sponsoring grandiose schemes of industrialisation which often break down and create scandals we have neglected to supply to our masses the primary necessities of life, such as food, clothing, shelter, education of any sort to the new born children, medical aid, and above all, employment. Before Independence we said swaraj will provide all these things, but it has failed to provide them.

Shri P. R. Ramakrishnan (Pollachi): Mr. Deputy-Speaker, Sir, permit me to congratulate the hon Finance Minister for presenting the centenary budget which coincides with his birthday which is really a significant day in his life.

Usually the budget period is attended with great excitement, anti-

cipation, anxiety and ripe in speculation; after the budget period there is great disappointment, dissatisfaction bordering almost on frustration.

This year's budget has seen a period of general satisfaction, a sense of relief. In this, I feel, the hon. Finance Minister has scored a psychological victory because he has created in this a climate for capital formation a confidence in the capital market. The total Defence bill is set at Rs. 273 crores, an increase of Rs. 28 crores over the allocation for current year. This allocation is actually lower than the figure which was allocated in the year 1958-59. The Finance Minister has shown abundant caution in allocating this figure to the Defence bill and also in the statement which he made that if necessary he will come before Parliament for additional sanction. I hope that there would not be any occasion for the hon. Finance Minister to come before the House for additional sanction. I am happy that there is a growing realisation in the Government and also appreciation in the country that our finances should be diverted more for productive uses than for non-productive uses. The revenue budget has shown a deficit of Rs. 84 crores because of the substantial rise in the civil expenditure in a large measure which is set at Rs. 708 crores, nearly Rs. 100 crores more than the last year. Actually this civil expenditure has been a result of the increase in emoluments on account of the Pay Commission's recommendations. Even though large amounts of deficits had been left uncovered in previous years, this large gap has been narrowed down to a considerable extent because of the buoyancy of excise revenues. In 1958-59 the deficit was only Rs. 5 crores and in the current year it is only Rs. 15 crores. Because of this, the Finance Minister's optimism in leaving uncovered a deficit of Rs. 60 crores in the coming year is fully justified.

The Finance Minister has left the pattern of direct taxation untouched.

[Shri P. R. Ramakrishnan.]

He has sought to broaden the tax-structure by imposing indirect taxation. He has imposed excise duties on certain industrial raw materials and also on certain engineering goods. I cannot understand the rationale behind imposing an excise duty on pig iron which is the basic industrial raw material. I say this because this industrial raw material goes into the production of many industrial products which are again being taxed; for instance, in the manufacture of diesel engines, internal combustion engines and electrical motors a substantial portion of the components are made out of pig iron. I beg to submit that this amounts to double taxation.

Dr. P. S. Deshmukh: Treble.

Shri P. R. Ramakrishnan: Maybe treble taxation. The Finance Minister exempted pig iron that is being used for the manufacture of steel from this taxation. I feel that he has done this because he felt that this amounts to obvious double taxation. Administratively, it may not be possible to differentiate between the pig iron that goes into the manufacture of electrical motors or internal combustion engines and exempt it from taxation as in the case of steel. So, I would recommend to the hon. Finance Minister to waive this small tax which he has imposed on pig iron. I make this request, this concession because not that I feel that it will hamper production or the industries that are using pig iron would suffer, but because I feel that basic raw materials, like pig iron, coal and coke should be exempt from any form of excise duty. In this connection, I may be permitted to say that because of the increased cost of these basic raw materials the industries that are located far away from the source of these raw materials are losing their competitive nature. These raw materials have to be hauled especially for those industries that are located in the South

over long distances. The cost of haulage is considerable and sometimes wagon difficulties enhance the difficulty of getting these raw materials. I suggest to the hon. Minister that a price equalisation fund be set up for these important raw materials, such as, pig iron, coal and coke, so that there would be a setting up of equitable distribution of industries in different parts of India.

The new excise duties are largely on engineering goods. This does not actually touch the budget for the common man. But still we have to watch and see what impact it would have on these engineering industries which are small which have shown considerable expansion recently and are comparatively new. I hope the Finance Minister will suitably watch the impact on these industries and also if there are any bad effects on these industries he will give suitable relief.

I am afraid there is going to be great difficulty in collecting these excise taxes also because all these industries are small and are spread all over the country. We have also seen the way the sales tax people have been harassing some of these small manufacturers in the States. I also feel that there is a cumulative effect of the excise duty on the engineering products because States themselves have imposed a sales tax on many of these commodities. I wonder whether it would not be advisable on the part of Government now to think of a consolidated tax on all these commodities on which a tax has been imposed. I am sure, for some time to come it has been the thinking of the Government and I very much like the Finance Minister to enlighten the House whether anything is coming and when it would take effect.

14 hrs.

The additional levy on road transport is wholly unwarranted, especially because our transport system, in an under-developed economy like ours

has not been fully developed. This, I must say, will be a great deterrent to industrial development. The cumulative effect of a taxation of Rs. 2,500 on all trucks, 10 per cent on internal combustion engines and an increase of 25 naye Paise per gallon on diesel oil will certainly retard the growth of road transport. Maybe this provision has been made in the budget proposals so as to give the Railways a decided advantage; but I cannot help feeling that this will have a restraining effect on the industrial growth of our economy and also add to the inflationary effect.

During the last budget I had pleaded for relief in respect of diesel oil for the use of agriculture. But the Finance Minister did not agree to my suggestion, because he felt that there might be a lot of leakage, and also working difficulties. He said that he would take time to see how the working difficulties could be solved. I was rather surprised to find that even in the budget proposals made this year there was no relief to agriculturists. I wish to point out that agriculturists pump water from a depth of a hundred or two hundred feet in places like Coimbatore where I come from. And they mainly depend on sub-soil water for cultivation. As such, agriculturists owning ten to twenty-five acres of farm are in very great difficulties, because they are not able to operate in a competitive manner in pumping water, especially in places where electricity is not available.

The present taxation is only in respect of indirect taxes. Company taxation has almost been left untouched. There was great anticipation that there may be some concession in company taxation because of the promise given by the Finance Minister that he would consider if there is any possibility of reduction of the 45 per cent of company taxation. No concession was shown and this is great disappointment, and I also share that disappointment. I feel that a reduction would have brought him greater dividend.

I welcome the exemption that has been given to small companies whose income is below Rs. 25,000 a year. I also welcome the proposal to give extension, for a further period of five years the exemption of tax granted to new companies under section 15C of the Income-tax Act.

I also welcome the proposal made by the hon. the Finance Minister with regard to donations for charitable purposes. He has enhanced the limit by fifty per cent: he has raised the exemption limit from 5 per cent to 7½ per cent, and the total limit from Rs. 1 lakh to Rs. 1½ lakhs whichever is lower. He has also extended the use of these resources to anything that a donor might like to specify. This is a proposal, I am sure, which will make many industries come forward and aid substantially those colleges which are greatly in need and I am sure many of the institutions which are engaged in research work will greatly benefit by it.

I also welcome the proposal that the Finance Minister has made in regard to the co-operative sector; I think it was long overdue. I am happy that he has recognised the need to put the co-operative sector on the same basis as the private sector of industries. I also wish that he might extend this to the public sector, so that there might be an element of competition introduced in the public sector is necessary to raise their operational levels.

Sir, so much has been said about the rise in prices. The hon. the Finance Minister has given a promise that he would closely watch it and that he would see that all precautions are taken to check the rise of prices.

Shri M. R. Masani (Ranchi-East): Like his other promise last year which was not carried out?

Shri P. R. Ramakrishnan: Well, I hope this year he carries out his promises.

[Shri P. R. Ramakrishnan]

I was surprised to hear Shri Dange talk a great deal about this increase in prices. This kind of slight, creeping inflation is usually attendant in a developing economy, especially where there are great social changes because of the developing economy. I could not understand the confused thinking of Shri Dange in this regard. Any time and every time, on every occasion they find some time to speak, my hon. friends are always vehement against the capital structure and the working of the capitalist economy.

I am also happy to see that the Second Five Year Plan will now ultimately have an outlay of Rs. 4,600 crores. And the Finance Minister has assured us that the external resources for completion of the Plan are forthcoming. And even though we are going to slightly exceed the Rs. 1,200 crores limit of deficit financing that was set in the Second Five Year Plan, I am happy, and I am sure the country will be very happy, to see that our Plan is on the way to fruitful completion.

Shrimati Manjula Devi (Gopalpara): Sir, let me thank the hon. the Finance Minister for the presentation of his very clever budget. His practical approach and his tactful handling of various problems in the budget deserve commendation.

First and foremost, my thoughts centre round Defence and External Affairs. The unprovoked aggression of China has put us wise to the border security. I am glad that there is an increase, by Rs. 28.56 crores, in the Defence budget. I hope that this amount, coupled with the savings from the enormous wastage that has occurred in the Defence Department, would be spent for the further defence of our borders.

Sir, it is my request that we should give full consideration to the amenities of the army personnel, especially to their housing and accommodation needs. I have seen some of the

army and navy men's quarters but I regret to say that they are nothing better than slum areas. All our brave soldiers are ready to dedicate their lives for the security of the country. It is for us to see that the welfare of these brave soldiers, in whom we have our complete confidence, is well looked after.

I am glad, Sir, that the Prime Minister of China, Mr. Chou En-lai has accepted our Prime Minister's invitation. Our Prime Minister has invited him in response to the expressed wish of the Prime Minister of China. I know that there was a lot of criticism in this House and outside about the letter of invitation from our Prime Minister. I do bow down to the wisdom and political experiences of the hon. Members. But, Sir, my reading of the situation is this. I do not think that the letter from the Prime Minister is a letter of surrender. But, it is a letter of challenge, based on the excellent note, laying down very clear clarification of our stand and demand on the territory of India. I feel that China is seeking a discreet retreat. China has been pushed to a tight corner in world politics by this very indiscreet aggression against India. I think our Russian friends are helping to find a solution of this deadlock. Russia's sanguinity about the success of the talks between our Prime Minister and the Prime Minister of China is an indication of this, bringing out the Russian influence in the peace-making episode of India and China.

I think, Sir, it is quite justified that we should give a chance to China, thus allowing her to make a decent retreat from her unwise aggressions. It may be my wishful thinking—as some of my friends have said—but I hope that it would come true. But I would like to make one request to our Prime Minister when he holds talks with slippery China. Our Prime Minister should be firm and he should demand immediate and complete withdrawal of

Chinese forces in Ladakh and NEFA areas and along the entire Indian boundary. I hope the House will stand behind me in my request to the Prime Minister that he should be firm on this point.

I wish, Sir, that our Defence should be more vigilant on the subversive activities and anti-national tendencies in the border areas. These activities are very dangerous, more so, during the time of external aggression. So, I hope they will take better care about these things. I hope they will accelerate the activities of their investigation and information departments.

We find that there has been a great deal of support for our non-alignment policy even from the critical western powers. India's ideal has been put into practice, even in trying times, when external and foreign aggression has taken place. India's policy has indeed won world appreciation now. The world has a better understanding of our foreign policy.

Now, we find that a lot of expenditure is wasted on the foreign embassies. I know a few of the embassies which have about 10 to 12 cars and some superfluous shows. I hope that these wastages of funds on property would be well-utilised for better propaganda in foreign countries. The support of smaller nations in the United Nations is most necessary for us. They are uncommitted nations and the support of these smaller nations would take us to have better understanding with the other bigger powers. We should try to win their friendship and popularity. Our propaganda agencies should explain India's stand on international and national activities among these nations, and thus, we will profit better in international politics. There should be more direct contact with nations through non-official initiative to have closer understanding and mutual friendship amongst various delegations.

Now, Sir, I come to Home Affairs. Top priority, I know, should go for food production. Unless we feed our millions, no other programme can ever be successful. We should have intensified agricultural output and for that, there should be more allotment of funds; and we cannot allow any curtailment in budget for agriculture. There should be a drive for self-sufficiency in food production from the bottom, from the village level and block level and district-wise and State-wise. If we achieve self-sufficiency in food production in each of these units then, half of our headache is over.

Decentralisation of supplies and agricultural administration and the economic distribution of surplus lands to non-economic holdings are certain subjects to which we must give deep consideration. We know that there are certain uneconomic holdings in the country. After the ceiling is fixed the surplus land should be given to the uneconomic holdings so that they could give us more production of food on an economic basis. Distribution of land to the landless could be done later on a co-operative basis. Intensified mechanised farming on large scale co-operatives could be feasible. Even atomic isotopes could help us in having increased agricultural production on economic basis and they could be introduced in our agriculture. This is the only way in which we can utilise atomic energy for increasing food production. We find that hoarders and speculators create superfluous shortage of food articles. This is a man-made scarcity. I hope the zonal system would soon be abolished as stated by our Food Minister when he first took over charge of the food portfolio. We should have strict measures for preventing hoarding and speculation. Quick and corrective measures for preventing hoarding and speculation should be thought of. We should have exemplary punishment because there is the imperative necessity for discouraging hoarding; as I have stated earlier, it is these hoarders and speculators who

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create superfluous shortage of food articles. There should also be a greater attempt at stabilisation of prices. Unless that is done, it would be very difficult to tackle the problem of food.

The valuable recommendations of technical experts and committees like the Nallagarh Committee, the Asoka Mehta Committee and the Ford Foundation Committee should be given proper and respectful consideration for practical implementation. I have gone through some of them. We may not agree with all of them, but some of them are most valuable and I do hope that at least all the money spent on these committees would be justified if we can implement at least some of these valuable suggestions.

Regarding health, there is a great dearth of nurses. This shortage must be made up. There should be intensive training for this. I come from a rural part of the country and I know how valuable our nurses are and what great demand there is for them. Maternity and child welfare centres should be combined with family planning clinics. There should be intensified propaganda for family planning and a hygienic approach to healthy living. The co-operation of voluntary organisations is essential for implementing family planning programmes because it is only these voluntary organisations that can expand and implement these programmes.

There is an alarming growth of population. This is a serious threat to food self-sufficiency and economic and social security. There should be a simultaneous drive for population control and increase of food production. They go hand in hand. Otherwise, even the accelerated attempt at food production would not meet the needs of the people.

Mr. Deputy-Speaker: The hon. Member's time is up.

Shrimati Manjula Devi: I would like to have a little more time, be-

cause I have not covered half of the points I want to put before the House. I will be very brief.

Education should be compulsory. According to the Planning Commission's expert opinion, it is possible that within the allocated fund in the budget estimates, compulsory education could be introduced. There should be special education for women, training for them to make them better wives and mothers, and teaching for the manifestation of ideal womanhood.

There should be special stress on Sanskrit learning. That is the only way to bring about unity through a diversity of dialects and regional languages. Sanskrit is the root of all our national languages. There should be better scope for Sanskrit teachers and qualified students. There should be compulsory technical education in the school curricula. That becomes an imperative necessity. There should also be more rigid discipline in educational institutes. Students should be made to refrain from any political activity, for politics ruin the young mind.

As regards social welfare, the spirit of social welfare should be the spirit of service and humility. A snobbish outlook, red-tapism, favouritism, egoist isolation—these have no place in social service. I implore the Social Welfare Board to remove these defects and dedicate themselves to the service of humanity.

Co-operation and co-ordination with existing voluntary organisations enjoying public confidence should be encouraged. That alone will stir up public enthusiasm and co-operation. No arrogant approach to rural or urban welfare activities will ever evoke public enthusiasm. There should be more concentrate on the creation of homes for the crippled. There are a number of them roaming in the streets of India. There should be research clinics for crippled beggars to find out the cause of the dis-

ease and cure it. There should also be beggar homes. There should be research clinics for handicapped children, to rehabilitate them to normal living. When I was in the UK, I went into this question and found that welfare activities of the countries are undertaken in close co-operation and co-ordination with voluntary welfare organisations. A census of crippled people and handicapped children should be maintained by social agencies of village and block panchayats at State level with the help of the district authorities.

For the successful implementation of the Suppression of Immoral Traffic Act, there should be immediate construction of rescue homes and after-care homes for the rehabilitation of the unfortunate victims to normalcy. For the welfare of women and children, there should be intensified activities on the part of the Social Welfare Boards. In this, there should be fuller co-operation of the people.

Mr. Deputy-Speaker: The hon. Member must conclude now.

Shrimati Manjula Devi: May I have a few more minutes?

Mr. Deputy-Speaker: I regret very much the hands of the clock do not show any indulgence to me.

Shrimati Manjula Devi: Before concluding, I will deal with industries. The success of major industries, of course, depends on foreign aid and proper planning. There was a certain amount of criticism in this House that we cannot feed the people with the steel of steel plants. But it is true that the steel plants will feed the country and the people in the future. Till that stability is attained, we have to have foreign aid, and I hope that proper planning would be made concerning this. At the same time, the expansion of big industries should be in proportion to that of small-scale industries.

Let me now come to taxation. I have actually skipped a number of items.

Mr. Deputy-Speaker: When would she come to her conclusion?

Shrimati Manjula Devi: At the end, sir, I must express my opinion, on taxes, if I may. Taxation is a very important subject. I commend the taxation of silk fabrics. It will encourage the handloom industry. But thick cloth and cut pieces must not be taxed. It is the poor man's cloth. Luxury goods should be taxed more and more, but not the common man's essentialities. The taxation of aluminium sheets and tin plates would retard industrial production. Big food preservation schemes, the canning industry and aluminium factories will suffer in production by this taxation. The tax on combustion engines and diesel oil will hamper the road transport industry and the carriage conveyance of commercial commodities. So these should not be taxed. The tax on pig iron will affect various industries and trades.

Commercial vehicles are an important feature of successful industrialisation. They are a vital necessity to commerce and trade. The taxation of commercial vehicles, industrial materials and equipment is a controversial policy of industrialisation. There should be no contradiction in the policy of industrialisation. Taxation of these articles negativate national industrialisation. It will be harmful both to the public and private sectors. It retards the growth of industry.

I welcome the higher taxation on wines. It may be taxed even more. So also the tax on cigarettes and other luxury goods. I prefer taxation of such items to the taxation of industrial essentialities. I am glad....

Mr. Deputy-Speaker: Now I will request her to be more considerate.

Shrimati Manjula Devi resumed her seat.

Shri Ramanathan Chettiar (Pudukottai): While I congratulate the hon. Finance Minister on having pre-

[Sari Ramanathan Chettiar]

sented the Budget on his birthday, a Budget which is expected to be the fore-runner of the pattern of budgets in the Third Five Year Plan period, I would like to mention a few salient points on the economic situation as well as on the taxation proposals.

With regard to the economic situation, my submission is that the Finance Minister must take into account the rising inflationary trends in all walks of life due to price increase noticeable in respect of the rise in the cost of living, more especially in respect of foodgrains. The Finance Minister being the authority to lay down the fiscal policy of the country should take prompt and adequate measures from time to time to check this rising tendency in the cost of foodgrains and other articles essential for the daily life of the common man.

Deficit financing will reach the astronomical figure of Rs. 1,200 crores, Rs. 300 crores more than envisaged when the Second Five Year Plan was formulated. I know both the Finance Minister and the Minister for Commerce and Industry are taking all possible measures to step up production in the country; and it is gratifying to note that the production output is actually increasing year by year. That is a welcome sign, and the measures taken by Government in this direction, and should be appreciated by one and all. But, nevertheless, the Finance Minister, who is the overall authority of the price policy of the nation, has to keep a vigilant eye on the price situation.

Coming now to the taxation proposals, I may say that the new levies proposed may not affect the common man in any large measure. But the Finance Minister has to see that effective steps are taken by his Ministry to enable the people both in the urban and in the rural areas alike to have something left out of their earnings to be saved and invested. He should also see that personal taxation,

which has, today, almost reached saturation point, is brought down whenever it is possible so that people on the high slabs of taxation who are now not in a position to save anything and who cannot expect to save anything if the present level of taxation continues, may have some scope of investing a portion of their earnings in projects of national importance.

On the indirect levies he has proposed in this year's Budget, I may say a word or two. The tax he has introduced, to levy on cycle parts, should certainly prove to be a burden on the common man and will, naturally, hit the cycle users whose number is increasing day by day. It is the vehicle of the poor working classes and he should necessarily take into consideration this aspect and should try to reduce the rate of levy if not altogether abandon that tax proposal.

One aspect of the company taxation that I would like to mention is the likelihood of inter-corporate double taxation. A holding company coming under the provisions of the proposed Finance Bill is likely to be subjected to double taxation. This may be looked into by the Finance Minister and his Ministry and adequate relief may be given wherever his advisers notice any hardship.

I must also welcome the Finance Minister's gesture in extending section 15C to the new companies for another period of 5 years; and also the measure of relief of 5 per cent., offered to the small companies whose annual income is less than Rs. 25,000. The above measure will, certainly, result in some investment in small scale and medium scale industries in the country which will provide employment to an appreciable extent. This gesture in this year's Budget is welcomed by the entire business community.

While welcoming the rapid progress of industrialisation in all parts of the country I may mention a word or two about the industrial development of

the Madras State where I come from, which is more or less in an infant stage.

We have only one big project, the Neyveli project. I would urge on both the Ministers of Finance and of Steel, Mines and Fuel and also the Planning Commission to sanction further expansion of this project of 2½ million tons of lignite. This will help the Madras State to put up an iron and steel plant, which is indeed a long-felt need in the South, with the good iron available in Salem. Otherwise, there is no possibility of establishing an iron and steel plant in the Madras State. I would also like to mention about the oil find in the Cauvery delta. Unless the seismic test is done, it may not be possible to find out with accuracy the extent of the oil finds and locate exactly the oil region in the delta area. Then, there is the aluminium project that is proposed to be set up in our State. These are the only major projects which could be taken up in the State of Madras and we are looking upon the Central Government and the Planning Commission for their active cooperation and assistance in order to improve our lignite, iron and aluminium resources and also the oil finds.

While the defence expenditure has shown an appreciable improvement in this year's Budget, the civil expenditure, particularly, the expenditure relating to civil administration has risen to a high level. The civil administration has to shoulder an additional burden of Rs. 34 crores, this year. While the Finance Minister is asking all to observe austerity measures, to spend less, save and invest more and more in national development programmes, in all humility I would like to say that this maxim should be observed by the Central Government also. The Staff Reorganisation Unit have been doing really good work and trying to minimise avoidable wastage and expenditure. But, all the same I would urge upon the Finance Ministry to keep a vigilant watch all throughout the year to see that the national income is con-

served to the maximum for further national development. While the Finance Minister's advice to the general public with regard to savings is welcome, the general public would also expect the various Ministries of the Government of India to keep down their civil expenditure and effect economy wherever possible.

The Prime Minister and the Finance Minister have been urging all of us to tighten up our belts and to see to the success of the Five Year Plans. Let me in my humble way appeal to those who are in charge of the expenditure of the Ministries of the Government of India to see that the expenditure is kept down and not allowed to grow as has been the practice in the past.

Shri M. R. Masani: Mr. Deputy-Speaker, Sir, I thought I was going to be the first speaker for my Party; but, after listening to the very sapient and thoughtful remarks of Acharya Kripalani, I realise that I am the second speaker for the Swatantra Party in this general debate. I welcome....

Mr. Deputy-Speaker: Does he also agree?

Shri M. R. Masani: I do not know, but I agree with him entirely; I entirely subscribe to the very sound proposition that he enunciated. I think he has explained the fundamental confusions and distortions in Government policy in an extremely sound way.

Shri Dange thought that the Finance Minister could have done much worse. He almost seemed disappointed that the Finance Minister had not done his worst! Speaking for a Party which believes in the theory of increasing misery as a means to revolution, that disappointment is easy to understand. On the other hand, Acharya Kripalani who, like me, is a friend of the Finance Minister, felt that he should have done much better. And that is my own feeling.

I think the Finance Minister has been less than fair to himself in subscribing to this Budget, and we all know that he is a prisoner of the Plan, that

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he is not a free agent. But we do believe that the Finance Minister of this country, like the Chancellor of the Exchequer, should assert himself in the councils of the nation. No Chancellor in Britain could be overruled by a Prime Minister or Cabinet on broad political grounds. So far as finance is concerned, the Chancellor of the Exchequer, a man like Phillips Snowden, would resign a hundred times rather than allow the Finances and the stability of the country to be jockeyed with for purely political ends, and it is therefore a pity that a good Finance Minister should make himself party to a bad Budget.

Now, Sir, we have to consider the additional taxation, indirect taxation that has been levied in this Budget, against the background of what already has been done. May we recall that the Planning Commission when framing the Second Plan estimated that Rs. 800 crores of additional taxation and that alone, could be safely levied during the coming five years? That was the National Planning Commission's estimate. The Economic Survey at the time of the last Budget conceded that at the rate that had already been in force, additional taxation would be Rs. 900 crores over the period of five years; in other words, even at the then rate prior to the last Budget, the safe limit of the Planning Commission was being exceeded. Since then there has already been Rs. 23 crores of additional taxation last year and somewhere around the safe figure this year. Now we are exceeding the safe limit set by the Planning Commission themselves by Rs. 146 crores or Rs. 147 crores.

Now, Sir, the larger part of this has gone into a colossal rise in civil expenditure which is wasteful expenditure so far as the development of this country is concerned. In 1955-56, the revenue expenditure was Rs. 461 crores and the capital expenditure was Rs. 127 crores. In 1960-61, the revenue expenditure has gone up to Rs. 980 crores and the capital expenditure to

Rs. 331 crores, thus exceeding in both cases double the civil expenditure of only five years ago. Indeed, if we take the years since Independence the rise in civil expenditure and bureaucracy is many times over, far in excess of what Parkinson has laid down in his well known "Law".

The question arises, what is the common man getting, what are the public of India, the people of India getting back in return for this higher taxation which is multiplying every year? One way of testing the return would be in the increase of *per capita* income. Let us take the Government figures themselves. According to them, the figure of *per capita* income has gone up, in terms of 1948-49 prices, from 110.8 in 1955-56 to 117.7 in 1958-59—a modest increase in *per capita* income in money terms of 6½ per cent. As against that, the price rise since that year has been 20 per cent or more. So, in return for the burden of taxation to which we all are contributing as the people of India, not only are we getting nothing in return, the price rise is almost four times the rise in the *per capita* income. So the people of India are being drained on the one side year after year by additional taxation, on the other side they are being drained by continuing inflation.

Why, Sir, are these unhelpful policies harmful to the nation being followed? I think the basic reason, apart from the inability to stop wasteful civil expenditure, is the doctrinaire passion for forced industrialisation on the Soviet pattern. My esteemed friend, Acharya Kripalani has already pointed out how this is at the root of the evil. This false God, is what is called, the rate of growth, never mind what happens to the people. The amount of steel, the amount of capital goods that multiply alone count while people may be in misery or they may die, that does not seem to be of concern to the prophets and exponents of development. This, Sir, is the root of the evil as Acharya Kripalani has pointed out.

Similarly, the passion to build up the State sector, to extort money from the people by taxation and then to invest it in State enterprises. Sir, here I am disappointed to find that in the report of the Ministry of Commerce and Industry which goes into 180 pages or thereabout, there is no information at all about what the people of India are getting by way of return on the money which is invested on their behalf by the Indian Government. When a man invests in a private enterprise, a joint stock company, he chooses where he invests his money. The tax-payer's money is invested by the Government where they choose. The least they can do is to tell the unfortunate shareholder what in return the nation is getting for its investment. That information, Sir, is not forthcoming.

But what little we know about State enterprises makes us fear that by and large they are uneconomic, unprofitable and wasteful. I concede there are honourable exceptions but, by and large, this proposition would be found to be true if the information was made available.

So, Sir, one comes to the conclusion that the Budget is the prisoner of the Plan, and, certainly, the Finance Minister has our sympathy, but he cannot extort our admiration for giving in the Plan.

Sir, I mentioned Parkinson's Law. May I just quote one or two sentences from a new book of his which has just been published called *The Law and the Profits*, which, I make bold to say, will be as well received and well known in a few months as the older book was. This is what Parkinson has to say—one almost feels that he had our Budget in mind when he wrote these passages :

"The power of taxes creates the illusion of limitless income and nations blissfully spend themselves into bankruptcy."

Then, in contrast to the kings of old he points out how even an austere,

a simple Finance Minister like ours, very far removed from the monarchs of old, can in a way be a worse tax collector than the autocrats of the past. This is what he says:

"In the old unsophisticated days, kings spent the money in banquets and concubines, but, then, biology, at, imposed fiscal limits."

There is no biological check in the case of a man as austere as our Finance Minister. Then he says :

"But the modern bureau with its research analysts and printing presses gobbles up limitless funds —with no fun to show for it."

This shows the tragedy of a simple, austere Finance Minister who can be just as extortionate in his own way or more than the kings of old who spent money on wine, women and song.

Now we come to the nature of additional taxation. It is indirect taxation, but it is not as indirect as all that. We all know that when Parliament imposes an indirect tax, it intends that—that tax shall be passed on to the consumer. The excise duty, in fact, is nothing but a sales tax at the first point, the point of production. There is one difference between an income-tax or corporation tax and an excise duty. The income tax or the corporation tax is on profit, when a man makes a profit he pays the tax, the excise duty is paid whether you make a profit or not. What then is an excise duty? It is, pure and simple, a tax on production, it is a punishment for production.

Shri C. D. Pande: But it is a tax on consumption.

Shri M. R. Masani: No, it is a tax on production. I do not agree with the hon. Member. A sales tax is a tax on consumption. I regret I cannot agree with my hon. friend. An excise duty is a tax on production. You may sell it at a profit or loss but, whether you sell at a profit or not, you have to pay. That is why I say it is a penalising of production.

An Hon. Member: Is it not passed on to the consumer?

Shri M. R. Masani: It is passed on to the consumer. It is a tax on the purchaser as also a penalty for the producer. Therefore, it is a burden on both the producer and the consumer. From a Government that talks all the time of a rise in production, one would expect that the producer should be freed from tax and should be encouraged to produce. But actually excise duty, as we know, acts as a disincentive on production.

Apart from the effect on production and of employment, to which one of the previous speakers has made reference, what is the implication of this taxation on the price level? What will be the effect, in terms of inflation of these excise duties? I am glad that three Members of the ruling party have already pointed the finger at what I was going to say. There are excise duties and excise duties. There are certain excise duties that may not do much harm if they are on liquor and purely luxurious items, but when excise duties are levied, as those two gentlemen and the lady Member pointed out, on raw materials for industry, on components of industry and on intermediates, they add to the price structure of the industrial product, and they lead to inflation.

In the case of our own excise duties, there is the process of diversion of excise duties from amenities and luxuries to industrial raw materials, components and intermediates. May I point out that while the excise duties on luxuries have grown since 1948-49 at an average rate of nine per cent., the excise duty on industrial raw materials and components has gone up at the astounding rate of 59 per cent. We are not taxing luxuries and amenities any more. We are taxing what goes into the product which every man and woman in this country needs. In this latter case, there is another disadvantage. There is double taxation. Take the cess on oil and oilseeds. That is one tax. When the oil and oilseeds get into the form of soap or *vanaspati*,

then there is an excise duty on the finished product. So, the common man's soap and *vanaspati* are twice taxed before they reach him.

All inflation, as Acharya Kripalani rightly pointed out, is anti-social, regressive and anti-socialist.

Acharya Kripalani: I said pick-pocketing.

Shri M. R. Masani: I do not know; I do not want to use a harsh word. I use softer terms. But I am not quarrelling with that description. It is taking money out of the pockets of the people when they are not looking! That is what the Finance Minister is doing. Inflation is anti-socialist and anti-social because it taxes those who can bear the tax the least. It hits the poor out of all proportion to the capacity to bear the tax. In this particular budget, we find that there is definite discrimination against the poorer classes. Tin plate, it has been pointed out, is used in packing many consumer goods. Aluminium is used increasingly for the utensils of the poor who cannot afford brass or copper. Bulbs and batteries are common articles in every home, and pig iron is used not only by agriculturists for their tools but by the **humble blacksmith and the carpenter**. These are the people on whom the burden of the second Five Year Plan and the third Five Year Plan, which is going to come, is being thrown.

I would like to pay a compliment and tribute to the *Economic Review*. I did that last year and I am happy to be able to repeat it now. Thank goodness, that in the Finance Ministry there is an honest Finance Minister and honest officials who still allow us to get at the truth. The sad part is that the budget has nothing to do with the *Economic Review*. The *Economic Review* points to one set of dangers and the budget pushes the country exactly in that direction. That is a sad thing.

Shri Supakar (Sambalpur): Both are honest.

Shri M. R. Masani: I do not know. The *Economic Review* is certainly honest. I cannot say that the budget is honest. There is no doubt in my mind that indirect taxation on wage, goods and industrial raw material is going to set inflation at a galloping rate. Up to now, we have had inflation which was bad enough. But there is no doubt in my mind that this budget is going to set in effect cumulative inflation which would increase now in geometrical progression because we are injecting at a sensitive part in the economy the pressures of inflation which will now burst out. In this way, an indirect tax is as much an inflationary weapon as deficit finance, and there is not very much to choose between them.

There is an aggravating factor in this situation and that is the neglect of agriculture to which reference has also been made by Acharya Kripalani, who referred to the obsession with heavy industrialisation. I draw attention to the peculiar co-relation between agricultural prices and the general price level. Normally, when production goes up, prices go down. One would have thought when the foodgrains production increased the prices of foodgrains would have gone down. But perversely enough, the facts are just the reverse. For the last three years, we have seen foodgrains production going up and the price of foodgrains also going up. In 1956-57, production of foodgrains rose by 5.7 per cent. Prices rose by 18 per cent. In 1958-59, production rose by 14 per cent. and the prices went up by 6.2 per cent. Why this perverse behaviour of foodgrain prices for the past three years in succession? This abnormal behaviour is due to the fact that the agricultural sector, for various reasons, into which I have no time to enter now, is getting integrated into the price mechanism. Every year, the foodgrains market is being drawn into the monetary mechanism more and more. The picture that it presents is that of a movement towards high price integration. This means that the general inflationary trends in our economic order are per-

meating agriculture more and more. Each sector seems to be able to pass the brick of rising prices to the other sector. In a developing economy, income generation, by putting money into the pockets of the people and increasing the purchasing power, inevitably creates a demand for more and more food. People want to eat well before they use the manufactured goods. This makes it very important that our agricultural production and productivity should keep pace with the demand on the one side of this greater purchasing power and on the other side of our increasing population to which reference was made by a prior speaker.

Acharya Kripalani: Also for the starving population.

Shri M. R. Masani: And those who are underfed. In such a context, it is important and vital that our agricultural sector should not lag behind our general development. Unfortunately, the average rate of growth of our agriculture has been consistently less than that of our real national income.

Let me give the figures. The average annual increase of our real national income, according to official figures, during the past decade, is 1.8, based on the 1949-50 level. The corresponding figure for agricultural production is only 1.4. So, agriculture is not even proportionately able to keep pace with our development, much less go ahead, as it should do, and take up the slack. That means there are no shock absorbers left in our economy to meet the inflationary pressure. That is why I said that we are likely to see in the coming months and years, if this pattern is persisted in, inflation of a cumulative type.

Professor Arthur Lewis, who is an eminent economist of development—he belongs to the other camp—has said that even if we make the best effort, if we put all the money that we can sink into our land, he can only envisage an increase in food production of 45 per cent. over a period of 25 years. He took the years 1955 to 1980 and said that if India does everything it can

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to put her capital investment into the land to the maximum measure possible, then we may hope for a 45 per cent. increase in food production. This shows how much less progress we are going to make, when we do not even put into the land the capital investment that is necessary. This country has to make up its mind on which field it will concentrate. We seem to be thinking that we can progress simultaneously on all fronts and that we can do everything at the same time. The choice, with our limited resources, is that either we put our capital investment into industry or in agriculture. What agriculture needs is not merely the administrative ability of which my hon. friend the Food Minister has enough, but capital investment.

Now, if you want to step up our agricultural production by 7 to 8 per cent. as is now officially contemplated, I venture to suggest that a very much larger capital outlay will be required than is contemplated in the third Five Year Plan. Let me give the figures so that the general proposition may not be questioned. If we assume the capital output ratio in agriculture to be 1.2 to 1, which is the lesson of the first two Plans, then, to achieve a seven per cent. annual increase, a capital investment of Rs. 4,000 crores will be required during the period of the Third Five Year Plan. If we are more modest and assume something in our favour and hope that the capital output ratio will be 1:1, even then, Rs. 2,500 crores of investment will be required in agriculture during the Third Five Year Plan. Assuming that Rs. 500 crores out of Rs. 2,500 crores comes from the private sector, from the peasantry, from the farmers, it will still be necessary for Government to invest in its Third Five Year Plan in agriculture Rs. 2,000 crores, or one-fifth of the Rs. 10,000 crore-Plan, which is being contemplated.

15 hrs.

I do not know how far Press reports are accurate, but, from what one reads, one gathers that my hon. friend, the

hon. Food Minister, is fighting a battle with his back to the wall, not for Rs. 4,000 crores, not for Rs. 2,000 crores but for a miserable Rs. 1,000 crores, out of this Rs. 10,000 crore-Plan. It is alleged—we hope it is not correct—that the Planning Commission wants to reduce it still further to Rs. 600 or Rs. 700 crores. (*Interruption.*) Exact figures are being given; I do not know. I am only going by Press reports. I hope this is not true, but if it is, I am sure I can say this that the hon. Food Minister is not going to get justice for the demands of food production. He has fixed the demand much too low if he has asked for Rs. 1,000. He would be justified in asking for twice as much and I believe the country will support him if the case were made clear to the country how the needs of the rural population are being shamelessly neglected for the benefit of the urban ruling class.

The National Planning Commission, obsessed as it is with Marxist thinking, naturally has nothing but contempt and neglect for the peasantry. There is no class in society of whom the Marxist thinks less of than the poor peasant. According to the Marxist, he must be liquidated and replaced by co-operative or collective farming. This poison is seeping into our budget and into our administrative policies. Shri Dange tried to accuse Government of allowing inflation to take place and not giving the common people a return for their money. It was repeatedly pointed out to him—I think by one of the Congress Members—that he neglected what was happening in Soviet Russia. Our National Planning Commission is doing nothing but taking a leaf out of Soviet planning to which Shri Dange is supposed to subscribe in Russia, but not in our own country.

The Third Five Year Plan offers this country a grim choice. We can either put our agriculture on its feet or we can go in for this mad race for heavy industrialisation. We cannot do both. It is no good pretending that we can do both. As far as I can make out, the present Government has set its feet

on the wrong road of allowing agriculture to be destitute and concentrating on gigantism and giant plants.

Acharya Kripalani: Not feet but brain.

Shri M. R. Masani: There is one last point and I have done. Almost every Member who has spoken has referred to the taxes levied on road transport. I find that out of Rs. 23 crores or Rs. 24 crores of additional taxation, no less than Rs. 13 crores fall in one way or the other on roads and road transport. 60 per cent. of the additional taxation this year is thrown on one particular public service, a public service, may I say, of the most vital importance. If I may be permitted to read from the report of the Road Transport Reorganisation Committee to which Acharya Kripalani made a reference—I read it because it says in one sentence—what it might take many more sentences for me to say—where road transport comes into our national economy:

“Good road communications encourage the production and marketing of perishable articles such as fruits, vegetables, milk and eggs, give the cultivators access to the outer world from which to obtain fertilisers, oil engines and know-how about improved methods of agriculture, promote the development of industries, and facilitate the exploitation of mineral and other natural resources.”

In other words, road transport is a conveyor-belt along which our economic life has to move. Already, as has been pointed out, road transport is the most heavily taxed industry in this country in terms of world taxation on roads. Already our motor vehicles are costing in this country a higher price than what the same motor vehicles cost in any other part of the world today. No part of the world, no nation today has to pay more for its motor vehicles—whether trucks or cars—than this country. After having achieved this very dubious distinction, we still want this particular industry to break its

back. How is this vindictiveness—because there is no other way of explaining it—to be explained?

Acharya Kripalani: Railways.

Shri M. R. Masani: Sir, there was a debate in this Parliament when the report of the Road Transport Reorganisation Committee was presented. It was welcomed by the Minister and by the entire House. There was not one Member who did not agree with the Report that the road transport industry was too heavily taxed and it should be less taxed. In this budget, a complete contempt for the opinion of this House has been shown by ignoring the unanimous wishes of this House by doing exactly the reverse of what this House wanted. I do not know whether it is the hidden hand of what I have always considered to be the most powerful lobby in this country, the Railway Board, which is behind this; I do not know what it is. But in flagrant defiance of the laws of economics, in flagrant defiance of the unanimous wishes of this House, a particular public service of the most vital interest to our countryside and to our cities is being vindictively persecuted in this manner.

The Prime Minister likes to talk about the jet and atomic age; he looks rather with contempt on the bullock cart and the cow-dung age. But what kind of mentality is this which tries to reverse the wheels of progress by penalising dieselisation, a process which is as fundamental to modernism as any other technological process in this world? The whole world is moving from petrol to diesel, because that is where the progress lies. We, like Mrs. Partington with her broom, are trying by this budget to sweep the ocean back with a broom. But we can only hurt ourselves. We cannot hurt diesel oil. Diesel oil is going to have a future, whatever our budget says or does not say. But we hurt the economy of our country by this regressive and reactionary attitude to technological change. In our Report, we have argued that the foreign exchange necessary to import diesel is well

[Shri M. R. Masani]

worth spending; rather than spending it on steel plants, let us get more diesel oil into this country. But again this obsession with steel plants comes in to the detriment of everything else this country needs first. If we insist on turning our backs on progress, we may hurt ourselves, but we are not going to stop the world from moving forward.

Sir, I believe the laws of economics are stronger than even a strong Government and I have no doubt in my mind that, in the years to come, this country is going to reverse these policies towards which it is being pushed at the present time. But if we wait for public opinion to assert itself, if we wait for the electorate to realise the issues, to be educated on them and to change the government of the day—we can do so in a democracy—but, the damage done to our economy, the harm done to our people, the misery inflicted on them will have been a waste. That is why one likes to appeal to those who are in office today to desist from this path on which they have set their misguided feet.

Shri D. S. Raju (Rajahmundry): Mr. Deputy-Speaker, Sir, I thank you very much for giving me a chance to make a few observations on the budget. Generally speaking, the budget proposals have been received well, although there are some complaints that the taxation has fallen heavily on certain sections of the people. Generally it cannot be denied that there is a perceptible all-round progress in the country. Our economy has developed, our industrial output has gone up and our agricultural output has also gone up.

Shri M. R. Masani: Despite the Government.

Shri D. S. Raju: Whatever be the reason.

Mr. Deputy-Speaker: The hon. Member shall have to go on in spite of interruptions.

Shri D. S. Raju: This is an appreciable progress. However, I am rising today not with the object of complain-

ing or criticising or complimenting the Government on the budget proposals. I would like to get an assurance that the Government is aware and completely seized of the gravity of certain problems which are facing the country. One of those problems to which I would like to refer is the defence problem of the country.

We are still living in dangerous times, in a world which is potentially charged with explosive possibilities. Two big power blocs are still engaged in a cold war. They are piling up armaments, they are building up atom bombs, they are operating those ballistic missiles with atomic warheads. There are some other weapons also, bacteriological as well as chemical. It has come out lately that a very powerful toxin has been discovered, eight ounces of which could destroy the whole world. And the tragedy of it is that even small nations can prepare this toxin. This is the dangerous situation which we are in, and I wonder whether we are completely alive to the situation.

Unfortunately, our relations both on the west and north are unsatisfactory. For the last ten years our troops have been stationed there, guarding our North-Western frontiers, subject to almost intolerable strain. They are living in a situation where there is neither war nor peace, and they are living in that very difficult situation for so many years. But, fortunately, I think some recent developments are giving us some hope that there might be a satisfactory solution, so far as our Pakistani friends are concerned. That was a very inglorious chapter in the relations between India and Pakistan, a chapter which was begun with the partition of India and which has been going on till now, a chapter written with the blood, tears and human suffering, which was never surpassed before, and I hope that this chapter will come to an end, not only will it come to an end but will be completely erased from our minds.

Coming to the northern frontier, there is a far more serious threat, and

that too from China. The whole country is really surprised and puzzled as to why China has done this to India, a China which is a participant in the *Panchsheel*, why did it occupy a portion of our northern territory. I think this is going to be a very intriguing puzzle to the modern historian. Why has China changed her attitude towards India so suddenly? What has happened to the joint agreement on *Panchsheel* between India and China, signed in 1954? What happened to the trade agreement? What happened to the joint statements of the two Ministers given out in 1955? Still, in spite of these disappointments, I am glad that the Prime Minister of China has now decided to settle this issue in a peaceful way by sitting across a table. His visit to India to meet our Prime Minister is most welcome.

Whatever may happen, India should not fall into a false sense of security. Sweet words or pleasant smiles should not deceive us. We want some concrete proof, some material evidence, of their faith in *Panchsheel*. Till such time, we must be on our guard. Till such time as the general disarmament in the world takes place, till such time as there is disarmament not only in the big countries but in our immediate frontier countries, Pakistan and China, we must prepare our defence, we must strengthen our defence and must give our troops the best possible equipment. Although the Finance Ministry has promised an additional allotment of Rs. 28 crores for defence, I feel this is very inadequate. After all, modern army requires lots of things. They cannot just simply fight with their fists and hands. Communication must be perfected, both air, road and rail. Medical services should also be expanded. In the last war, one might remember, more casualties were caused by malaria and dysentery in Imphal than by the actual fighting. More people die because of diseases than by bullet wounds. So, we must pay more attention to these matters in a modern war.

This is one of the challenging problems I would say, and I hope we will

be able to meet it. If necessary, we are ready to make the highest sacrifices for the comforts of our troops. As I have said, they are there for the last so many years. So let us give them our love and respect and assure them that the whole country is behind them in their constant vigilance on our frontiers.

After referring to the first grave challenge, I come to the next challenge which we are facing today, namely, the shortage of food, which is an equally important problem for our internal peace, progress and prosperity. Unless we produce more, it will affect seriously our economy, our progress and our industrialisation. After all, for the last fifteen years we have been able to increase our production only by 15 million tons which, I am afraid, is very inadequate, especially when we consider our growth of population at a rapid rate. If China can—I hope I can use their figures—double their production in ten years from 100 million to 200 million tons, why can't we do it? By our own methods, by our own ways, we should be able to produce more food. Our production is only 72 million tons and the estimated target for the next five years is only 110 million tons. I think we must pursue a more vigorous and dynamic policy if we are to reach even this target, so far as food is concerned. So, what we have allotted in the Third Plan for food production, namely Rs. 1,000 crores is inadequate to reach our target.

So, what I would suggest is that we must have a land army and we must pursue our aim more vigorously. The State farm at Suratgarh has been a very grand success. If that is so, why not we have State farms all over India, in every State and in every district if necessary? Let there be more of State farms and let there be competition between State farms and co-operative farms as to who will produce more food. Then there is the Lok Sahayak Sena, which is being developed all over the country. We have got quite a large number of them and their number has already ex-

[Shri D. S. Raju]

ceeded two millions. From the defence point of view, I am told, their usefulness is limited. So, why should we not utilize Lok Sahayak Sena as the land army to produce more food?

Then, we have embarked upon a few major irrigation projects. Here I would like to bring to your notice that the Nagarjunasagar Canal dam is supposed to be one of the most magnificent dams in the whole world. Its height is 420 ft. and when completed it will be able to produce fifty thousand tons of sugar besides irrigating two million acres of land. It has now come to a stage where it is capable of spending Rs. 14 crores per year. I am told that the allotment was cut down to Rs. 9 crores, in which case the completion of the project will be considerably delayed, by another two years. Every year we are losing so many crores of rupees by importing foodgrains, which can be avoided if we produce more, which in turn depends upon our irrigation projects. Therefore, I would appeal to the Finance Minister to see to it that the allotment for this project is not reduced.

I then come to the third challenging problem, which is the serious problem of our population. Our population is increasing at a rapid rate. We are now more than 40 crores and by the end of the Third Plan we would be near about 480 million. By the end of the century, it is estimated that our population will be doubled and we will reach 82 crores to 84 crores. I wonder whether India could then accommodate that vast population. So, we must take very effective steps to check the growth of population. Of course, there are family planning boards at the State level and at the Centre also. But here also the programme must be dynamic and we must proceed forward on our plans without any hesitation. So many experiments are being conducted to find out the best method of checking the birth-rate. It seems that Japan achieved some significant success in

this regard. She could bring her birth-rate more markedly during the last 15 to 20 years. Even though enough funds are provided, it is essential to see whether the money is being spent properly.

Of course, there are various methods and I do not want to go into them. One thing which is universally recognized as the most effective is use of contraceptives and I think Government are concentrating their attention on the production of a cheap contraceptive from rubber, which is an indigenous material for us.

The fourth item which is also equally important is research. Unless we do research, I think our progress will be stopped. All the nations are producing very rapidly. Science is advancing by leaps and bounds. Now they are in the atomic age. Every day there is some new discovery made. We must follow them. We must take up research otherwise we would be left behind in the race for life. Every penny that is spent on research will be paid back hundredfold.

I would like to give you a few examples. We have got antibiotics which have come into the medical field. Streptomycin, for instance, is a very effective remedy in the treatment of tuberculosis. With the research and advent of this drug, we are able to treat millions of patients in their homes. So that has saved us hospitalisation and costly equipment. The discovery of just one drug has saved millions of rupees for us. So research is very important. It is being applied and utilised in many fields. In agriculture, for instance, with the development and research of fertilisers agricultural production has gone up threefold. In America by the production of hybrid maize through research they have increased the yield by about 25 per cent. If all these countries could do these things, why should we not be able to do so with research?

Atomic research is very important for the country. I hope our scientists will also get the necessary help in this direction. Isotopes is a recent development for the treatment of cancer and other diseases, which were considered incurable so far. They are giving us a lot of help. Though we do not like to produce atom bombs, I think short of bombs we should have everything else which atomic energy can give us. If we have light and energy from atomic energy, it is going to be very cheap. These are all the things which we must concentrate upon.

The last point that I would like to mention is about discipline among college and university students. It is a very important point. In this connection I would refer to the ACC and NCC. The Cadet Corps is a very important organisation. I felt, as I have mentioned two or three years ago, that every student, every boy and girl in this country must pass through ACC and NCC courses. It gives them discipline. It gives them character. It gives them good and sound health, if not anything else. It is not with the idea of making them soldiers that I am advocating this but it is only with the idea of making them decent citizens to shoulder their social, economic and political responsibilities. It is only with this idea and not with the idea that they might have to fight in wars or that they might be drafted into the war that I advocate this. All the same I think it is very essential that our boys and girls should go through this discipline.

National discipline scheme is mostly very good for the teenagers and for the girls who have got this training. Unfortunately, now we are spending very little money on these schemes. Not even 20 per cent of the boys and girls in the colleges are able to take up this course. So, these are some of the problems. I hope the Government is seriously aware of them and is seized of the seriousness of this situation. I hope they will face them with success.

Mr. Deputy-Speaker: Shri Sarhadi. Next I will call Shri Jainik.

Shri Ajit Singh Sarhadi (Ludhiana): Mr. Deputy-Speaker, Sir, the budget speech of the hon. Finance Minister certainly reflects the progress in the different sectors of the developing economy of the country. It is a matter of gratification that there is increased production in the industrial sector. I am also glad to hear that the hon. Minister expects that he will be able to maintain the high level of agricultural production in the current year also. All this certainly shows that we have turned the corner and are approaching a self-generating economy in the country.

15:26 hrs.

[SHRI GORAY in the Chair]

But we have got to see whether there is equitable distribution of the benefits in this developing economy to all the sections of the people. In this connection I must say that I tried to scrutinise the budget speech as well as the *Economic Survey* with all the care and attention that is called for but I find that the agricultural sector has not been given that emphasis which the circumstances call for. There has been an increased allocation for the industries for the fulfilment of the Plan targets in the matter of coal, steel and railways. But despite the speech of the hon. Minister that agricultural development is the pre-requisite of all planning, we do not find any additional allocation for the agricultural sector.

The House will appreciate, if the *Economic Survey* is looked at and if we scrutinise the figures of the last few years in the matter of increased production we will find that there has not been much progress. Of course, there has been a spurt in this year when we have reached the 73 million ton figure. But it does not show that it is due to any developmental schemes that have been adopted as also whether we will be able to maintain or reach the target of 80 million tons which the Second Five Year Plan stipulates.

[Shri Ajit Singh Sarhadi]

Therefore my submission is that if agricultural development is the basis of all planning and steel and iron is the core of the Plan then primarily priority must be given to the agricultural sector.

In this connection, I am glad that the hon. Member, Shri Masani, rightly said that unless you approach the problem from this aspect there is no solution of the problem. There has been certainly a general increase in the national income of 17.1 per cent. That is correct. But I would like to have a break-up of that and see as to how much has been the increase in the income of an agriculturist.

Looking at the figures of production I find that agriculture contributes 45 per cent of the national income and the disparity in the income of the agricultural sector and the industrial sector has not only been accentuated in the First Plan period but has rather further been accentuated in the Second Plan period. This disparity is bound to increase unless increased attention is paid towards agriculture in some way or the other, whether it is by way of capital outlay or anything of that sort. Leaving aside the necessity of laying down emphasis and bringing out the scheme for the development of the agricultural economy of the country in order to have an increased agricultural production, even otherwise where the problem is there and is just before us, we are not facing it. I will illustrate my point by giving the example of my home State, Punjab.

You will find that it has been fortunate that Punjab has exceeded the targets laid down for the Second Plan period. The target of production in Punjab during the Second Plan was 59.41 lakh tons of foodgrains. We have produced last year 60.70 lakh tons. We have exceeded the target. But if the Centre had come to the support of Punjab, where at present the waterlogged area is to the tune of 50 lakh acres, I am positive that Punjab

would have contributed more to food production than any other State. Punjab has put in vigorous efforts to increase production. They have formulated schemes of the value of nearly Rs. 9 crores in order to have drains and other schemes for the elimination of waterlogging. We have other schemes worth Rs. 21 crores for the Third Plan to eliminate waterlogging. I am sorry that no aid, not much aid, has come in this matter. Therefore, my submission is that there cannot be proper development of the economy unless there is equitable distribution in the different sectors, and I am afraid agricultural development has not been given its proper share.

I may emphasize that the small-scale industries also can be developed for the betterment of the man in the village or the man in the street. Here too, proper attention is not being given. Despite the fact that Punjab has got the largest concentration of small-scale industries and is contributing a great deal in the production of consumer goods, it is, as you must have seen from the papers, starving for power. A thirty per cent cut has been imposed on the small scale industries with the result that many factories are closing down. If there was power shortage due to the recent mishap at Bhakra and the coming down of the level of the water there, there could have been a greater cut in domestic and individual consumption rather than in consumption by small industries. There are the problems that call for attention, but all these problems can only be solved if there is peace and contentment in the country. There can be no progress unless there is contentment.

I am glad, in this connection, that the Bombay State has been bifurcated and the people are satisfied.

Shri Yajnik (Ahmedabad): Not yet.

Shri D. R. Chavan (Karad): There is a border dispute.

Shri Ajit Singh Sarhadi: I hope the border dispute will also be solved; or, I would say, it would be solved by lapse of time. All the same, it was a very good act on the part of the Government.

In this connection, I might recall that certain speeches were made during the Debate on the President's Address, and demands came in. As an illustration, Ch. Brahm Prakash came forward with the demand for a Greater Delhi by integrating the Hindi-speaking areas round about Delhi. Shri Ram Krishan Gupta came forward with the demand for a Haryana Prant, despite the fact that this area is having better treatment at the hands of the Punjab Government than any other portion. In fact, the Haryana or Hindi-speaking area, has got 68 blocks whereas the rest of the State, the Punjabi-speaking area, has only 72 or 74. In the matter of allocation of funds too, the Haryana area is getting better treatment. Yet, hon. Members like Ch. Ranbir Singh demanded creation of a Haryana Prant, Greater Delhi and all that. This shows the acuteness of the problem in Punjab to have unilingual States, and it would be well for the Government of India to give attention to this problem and solve it.

Of course, we have had the regional formula which is I would say a final settlement of the language issue of the Punjab, but unfortunately the issue has been reopened by those in power in Punjab, for what reason I cannot say, consequently creating a tense situation. When the problem had been solved once for all, I cannot understand the necessity of a 27-man committee to go into it—a committee which comprises individuals with diametrically opposite views, who have expressed such views and have been fighting for such views. Would it be beneficial to have a committee of that type to reopen the question? If it is to be solved, it should be done on the basis of Bombay, by the creation of unilingual States of the Punjabi region and Haryana Prant, so that it

may be solved for all time. This is an issue which calls for attention.

Then I welcome the increase in defence expenditure. It shows that we are alive to the situation. We are faced with a neighbour who, however good he might have been, whatever great tradition of friendship we might have had for the last 2,000 years, is very callous and calculating, has got a large standing army, as big as five million, and a militia of about 18 million. Then, the impregnability and the invincibility of the Himalayas is no longer there. This problem between the two neighbours is going to remain for a long time, and I welcome the realistic approach of our Prime Minister in inviting the Prime Minister of China to come here. In this nuclear age of diplomacy, it is very necessary that solutions should be sought by negotiation, and one should not stand on prestige. And we have not lost any prestige by, inviting him to our soil on our own terms. America and the capitalist countries on the one hand and Russia which is the head of the Communist bloc on the other, have different ideologies and yet talks are going on, leaders of either bloc are going to the countries of the other and there is no harm done. And so, I am sure, and I feel hopeful too, that something will come out of the meeting of the two Prime Ministers, at least the tense situation may ease, and we may have ample time for increasing our industrial potential and strengthening ourselves.

I find the taxation proposals are mainly indirect, if not entirely. How far the entire new taxation can be indirect in a country with a socialist objective is to be considered. There are other items from which the hon. Minister could have met the deficit he proposes to cover by direct taxation. I hope he will reconsider the items he has proposed since they hit the poor man. Taxes on bicycles, diesel, transport etc., hit the poor man and should have been left out.

I also draw his attention to the excise duty on fabrics. This has very

[Shri Ajit Singh Sarhadi]

seriously hit the small-scale industry at Ludhiana. The House must have read in the papers that about 200 factories have closed down, and nearly 20,000 people have been unemployed because of this tax. I need not go into the details of the manufacture there but I may say that out of the eight processes employed, seven are of the handloom type and only one is by machine, and yet it has been taxed because it does not come entirely within the definition of handloom. I am only giving an illustration for consideration. This is indirect tax on a small item which gives a very small revenue. It would be well if the thing is studied and reconsidered and such items are exempted.

I also suggest that the position of the transport industry should be reconsidered. You will find that in the matter of planning, we were targeting for having 46000 vehicles a year, in order to have increased transportation. But the figures that we have been able to reach so far are not even 17000 or 18000. If this tax comes in now, then not only shall we not be able to reach the target but the entire road transport will be very much affected by it. Possibly, the railways might gain some advantage, but I feel that we are in an age when there should be competition, and both rail and road transport should have been dealt with simultaneously and there should have been co-ordination. I particularly stress in this case that the direct taxation that has been levied on the things needed by the transport industry should be eliminated.

Shri Yajnik: I join my hon. friend on this side of the House in raising my voice of protest against the policies that are embodied in this Budget. I would say that this is not a people's Budget, this is a capitalistic Budget; this is an urban man's Budget; this is a lop-sided Budget; it is a Budget that leans out of its founda-

tions like the Pisa Tower. Burdened with its own weight of figures, it is also a gambling Budget. Curiously enough, it has fallen to the lot of our Puritanical Finance Minister to present this gambler's Budget. It gambles for a very big financial deficit which it leaves uncovered. Apparently, he will flood the market with the Nasik notes. He also gambles for foreign exchange and foreign loans, and he goes to the extent of stating in his Budget speech that he is providing for expenditure out of a total loan part of which, that is about, Rs. 100 crores, is still to be raised by way of foreign loans. He does not know where the money is coming from, but he budgets for spending it. And last but not least, the Finance Minister—I do not know how much he is collecting but—hopes to collect a good amount by issuing prize bonds. The prize bond system is another method of accustoming people to, or legalizing gambling. I saw some raffle tickets being sold at the Connaught Circus, and I was wondering whether Government had authorised those raffles. But, I find that Government themselves have now started off on a raffles racket, though the amount of money that the Finance Minister hopes to corner through this method has not been shown.

This Budget should be considered as a very important one in view of the fact that it will provide a link between the Second Five Year Plan and the Third Five Year Plan. The policies that will be implemented through this Budget will have far-reaching consequences on our future.

It is said that the Third Five Year Plan will take us off or will provide a take-off towards a self-propelled economy. I do not know much about this self-propelled economy in which we are supposed to fly, but I know that every nation, like the Army, walks on its belly. India also must feed first before it implements Plans

for the future. And here you have the ghastly tragedy that has been pointed out by many Indian and foreign commentators and experts. We have been told by Rene Du Pont, an international expert and economist that India has failed on the agrarian front. It is not merely an agricultural defeat, but it is a national defeat. How are we going to work if we have not sufficient food within our country to feed our increasing millions?

So, when we look at the scene, we find that this Plan or this Budget which is also a part of the plan, leaves the peasant and agriculture in the cold.

We have been given figures about the increase in the per capita income, but as the previous speaker has pointed out, we have no break-up between the rural sector and the urban sector. And if, as has been pointed out with a mass of figures that the real per capita income has not risen, because whatever increase there has been has been counterbalanced by the increase in the standard of living. I feel that the man in the village, the man behind the plough, as our Food Minister called him some time ago, has been hit the hardest during the last few years; and if we do not do anything betimes, I think he will be sizzling with discontent and resentment, even more than the workers in the factories and in the shops.

Some people have an idea, I think some people on the Government Benches also think, that the peasant now is in a prosperous condition. I do not know what they base their fancies or ideas on, but I would say that the *kisan*, including the vast majority of people who live on the land, the small peasant, the small tenant, and the landless labourers are in the worst plight today, and I see nothing that is being done to help them and nothing in this Budget to alleviate their condition.

To clarify the picture, I must state that not only has the agrarian debt not been liquidated, but according to

an eminent economist Mr. Mukerjee, it stands now at about Rs. 2000 crores. Add to that about a thousand crores of rupees that are required annually for financing the normal agrarian operations. On any count, the total interest charged on these two items would approximate to about Rs. 400 to 450 crores. That is the big burden that the peasant has to carry on his bent back. Add to that Rs. 200 crores of land revenue; whether it is imposed by the Centre or the State does not matter; he carries it. And there are whispers going around in Parliament and outside that this land revenue figure is too low, and, therefore, it should be increased, as if this burden of Rs. 200 crores plus Rs. 450 crores by way of interest, which he has to carry are not enough. And you can just have an idea of how the peasant fares under these conditions. Then, he naturally turns to Government for help and support.

Several hon. Members here have referred to the very serious new taxes that have been imposed and that make his life more difficult and more expensive. Naturally, for travelling he will have to spend more. His cycle will cost more.

Now big amounts have been budgeted for the next financial year to be spent on big items under irrigation and power, on multi-purpose projects. But what happens? Here is an hon. friend from the Punjab talking about water-logging. Why is it that water-logging has taken place? Something has gone wrong with our canals. Our canals are not properly surfaced. Proper attention has not been paid to the seepage of water underground, with the result that in solving one problem we create others. We spend hundreds of crores of rupees on big multi-purpose schemes and then we are faced with huge areas that are water-logged. When an area is irrigated, part of it becomes waterlogged. That is the story. It is also a fact that while we have at some places big reservoirs of water, there are no canals yet made. There is no sym-

[Shri Yajnik]

chronisation between digging of the canals and the making of reservoir. At other places, water is flowing in big canals, but small canals have not been dug. No method has been found yet to compel or prevail upon or persuade the Government to do something for the peasant so that he can get the advantage of these life-giving waters.

I am sorry to see that the water question is yet with us. National Rural Water Schemes get only Rs. 2 crores while Urban Water Supply and Drainage Schemes get Rs. 12 crores. We are told that this amount of Rs. 2 crores is also not properly spent and money is sent back to the exchequer. That is due to the bungling in the States and at the Centre, with the result that water, the chief requisite of life, is not available still in every village in India. We have still to discuss plans in the Third Five Year Plan for making arrangements for getting a sufficient amount of money to provide water. I have been a few miles outside Delhi and I was suprised to see that wells had to be repaired. They had fallen into disrepair and had to be cleaned up. I was told by the Corporation officials that no money would be available from the allotment to the National Rural Water Scheme available with the Health Ministry. There are these difficulties on account of rules framed by certain departments.

The peasant goes to the agricultural department thinking that the Food and Agriculture Ministry under the leadership of my hon. friend, Shri S. K. Patil, would provide everything for him. But what is it that is done? The main stumbling block in the way of production of foodgrains is the lack of stability of the floor price of foodgrains. That has not been vouchsafed to him. In 1956-57, there was plenty of grain produced on all sides. The prices went sagging. People looked for support to Government. But the

support was missing, with the result that there is a serious resentment in the minds of the peasants who feel that they will be let down if there is a bumper crop.

Time and again, the question has been raised in this House about a floor price being settled. But the department is still engaged in appointing a committee or Commission for the purpose. Meanwhile, there are hundreds of thousands of acres lying fallow—cultivable fallow land—in this country. And when we ask about their being put to immediate use on a war footing for the purpose of making up our deficit, we are told again that that is a matter being considered at different levels by all kinds of committees and Commissions and then between the States and the Centre. Why this delay? If we have to tighten our belts, let the Ministers, Ministries and Government officers also tighten their belts to make available immediately every acre of land that can be put under the plough. That is the test of our readiness to work in this matter.

The other thing that is required from the Food and Agriculture Ministry is fertilisers. Fertilisers can be sold at subsidised prices. We are spending hundreds of crores. Why can we not help ourselves and help the farmer to grow more food by subsidising fertilisers so that they are more easily available to the poorest sections?

So this matter of food production is not being helped by the Agriculture Ministry. On the other hand, the Ministry is all the time talking about 5 million tons of buffer stock. Now, the buffer stock is quite a good thing by itself. But when you do not fix the floor price and when you think continuously of the buffer stock, people in the villages are very sceptical about the motives of Government. They immediately feel that this buffer

stock is being built up with a view to press down their prices. When that idea goes abroad, whatever you do, it will be very difficult for us to persuade the peasant to increase his agricultural output. The agricultural output will, of course, be increased, the output of commercial crops, not food crops. May I say that there is a general tendency among farmers to grow more and more of commercial crops and turn their back on food crops because more easily, more ready money is available from commercial crops. This tendency is going ahead. There is a greater and greater divergence between the people and the Government in this matter.

We spend crores of rupees on community projects. We know all the figures. What is happening to the community projects? If these were properly worked with the full co-operation of the community by rousing the imagination and the heart of the people living in the villages, then a lot of good could be done. The community projects may have resulted in good rural development to a certain extent but they have failed to secure the willing, whole-hearted, spontaneous co-operation of the people without which not much can be done in the countryside. And when we look at the figures, we find that more than half of the expenditure is on staff quarters, staff salaries, jeep expenses and all that, and not a cent is to be lost in selling fertilisers or seeds at subsidised prices; they have to be given at cost price. No grant is made on that account.

While concluding, what I want to say is this. As a previous speaker has said, there is anger and resentment developing in the minds of the workers; there is greater anger and greater resentment abroad in the countryside. They want to have a gesture from Government, from the ruling class.

An Hon. Member: Gesture alone is not sufficient.

Shri Yajnik: Gesture alone may not be sufficient. The gesture should be backed by solid grant of funds so that they could have more of the land that is lying uncultivated, more of the fertilisers at cheaper and reduced price, more amenities of life, more drinking water and so on. In fact, they seek the hearty co-operation of officials. I am sorry to see that even the officials are not properly co-operating with them. They put on an official air which prevents them from approaching the peasants and co-operating with them. All the same, on the eve of the Third Five Year Plan, I would say that it is not possible for the peasant to go on strike as the worker can. But I should warn everybody that the resentment growing might assume big volume and it is far better to take the warning betimes. The House and this Government should immediately make up their minds to take measures for making India absolutely self-sufficient in food—not in the Third Five Year Plan but in the next few years. If precious time is lost, then, we would have lost the battle of food for ever; and, then, it will be disaster for all concerned. I would, therefore, request that prompt measures are taken in this matter in order to win the battle of food and to win the battle of the Third Five Year Plan.

16 hrs.

Mr. Chairman: Before I call Pandit Thakur Das Bhargava, I would like to know whether the House would agree to continue the debate till 6 o' clock.

Shri D. C. Sharma (Gurdaspur): No, Sir.

Mr. Chairman: Half an hour which we have lost?

Shri Satya Narayan Sinha: We have decided in the Business Adivosry Committee and that decision has been endorsed by the House that this general discussion on the General Budget will continue for 20 hours

[Shri Satya Narayan Sinha]

spread over four days. Those 20 hours have to be made up within these four days. Whatever time is lost in a day in other things except the General Discussion, we have to make up. I have no quarrel if they sit today or they make up the whole time on the 4th day.

Mr. Chairman: On the fourth day it will not be possible to make up for all the time lost. Therefore, I would suggest that we may sit for half an hour more today.

Shri Braj Raj Singh (Ferozabad): Only his people object there; why does he not tell them?

Shri Raghunath Singh: We are all his people.

Shri Braj Raj Singh: Not I.

Shri D. C. Sharma: Let us complete the 20 hours on the last day.

Mr. Chairman: It is not possible. So, today we will continue till 5:30.

Shri Satya Narayan Sinha: So, till 5.30 we sit today.

पंडित ठाकुर दास भागंब (हिसार) : जनाब चेअरमैन साहब, इस बजट ने, जो हमारे रूबरू पेश किया गया है, जिन लोगों को एन्यूज किया है वह ग्राम तौर पर वह लोग हैं जिनके पास कम्पनियां हैं। जो इंडस्ट्रियलिस्ट्स हैं उनको ही एन्यूज किया है। आप शेअर मार्केट को देखिये बॉयेंसी आई है वहां पर। कम्पनियों को और दूसरों को भी यह लगा है कि हमारे आनरेबल फाइनेन्स मिनिस्टर साहब ने, उनको जो डर था कि डाइरेक्ट टैक्सेज बढ़ जायेंगे, उनको नहीं बढ़ाया है। एक बड़ा भारी गेन है कि डाइरेक्ट टैक्सेज नहीं बढ़े, और साथ ही आनरेबल फाइनेन्स मिनिस्टर साहब ने कुछ रियायतें उन कम्पनियों और इंडस्ट्रियलिस्ट्स को दी हैं अपने बजट में। वह माकूल रियायतें हैं। यह नहीं है कि उन रियायतों में कोई बजा बात की गई हो, लेकिन सिर्फ उन लोगों को ही इस बजट ने एन्यूज किया है।

इस के अलावा मैं नहीं देखता कि किसी और साइड के मेम्बर्स को या दूसरे साहबान को ज्यादा सैटिस्फैक्शन हुआ हो। लेकिन जहां तक यह बजट जाता है, जहां तक इस सेक्शन का फायदा हुआ, उस सेक्शन के सैटिस्फैक्शन के अलावा, मैं आनरेबल फाइनेन्स मिनिस्टर साहब से अर्ज करूंगा, उन्होंने किसी और को सैटिस्फैक्शन नहीं दिया है। उन्होंने इस सेक्शन को तो ठीक तरीके से सपोर्ट किया और उनको तसल्ली दी, लेकिन देश के अन्दर लाज क्लास आफ पीपल को इससे तसल्ली नहीं हुई और इसकी वजह साफ है। इस बजट में जो आनरेबल फाइनेन्स मिनिस्टर साहब की स्पीच है उसके पार्ट ए के तीसरे पैरे के पहले एक वा दो पहरें हैं वह तो फिल वाक्या फार्मल से हैं, लेकिन जो तीसरा फिकरा है उसमें आनरेबल मिनिस्टर साहब ने उन सारे पेचीदा सवालों की वजाहत करके मुस्तसरन् जिक्र किया है जिनको आनरेबल मेम्बर डांगे साहब ने पेश किया, आचार्य कृपालानी जी ने पेश किया या मसानी साहब और दूसरे साहबान ने पेश किया। आनरेबल फाइनेन्स मिनिस्टर साहब फरमाते हैं कि देश के अन्दर इंडस्ट्रियल प्रोडक्शन काफी बढ़ गया, देश के अन्दर इतना अनाज कभी पैदा नहीं हुआ जितना पिछले साल पैदा हुआ। हर तरह से तरक्की हुई। कोई भी ऐसी चीज नहीं है जो कि पैरा ३ में दर्ज हो और जिसके अन्दर तरक्की न हुई हो। लेकिन ताहम जिस नतीजे पर वह पहुंचते हैं वह यह नहीं कि ऐसी तरक्की हुई है जिसमें कोई शकस यह समझ सके कि हमें कुछ फायदा हुआ है, या हमारी जिन्दगी कुछ इजिअर हो गई है, या हमारी डिफिकल्टीज कुछ कम हो गई हैं। खुद उन्होंने यह नतीजा निकाला है कि अगर तरक्कियां होती भी जायें तो हम क्या करेंगे। बी रिक्वायर और बिजिलेंस इन बि नेक्स्ट इअर। और एक्सपोर्ट्स बढ़ाने की कोशिश करेंगे। लेकिन इसके सिवा कंट्री के सामने और कोई प्रोग्राम उन्होंने इस पैरा ३ में नहीं रक्खा। और यही

शिकायत है मि० डांगे की कि सब चीजों में तरक्की हुई लेकिन लोग सन्तुष्ट नहीं हुए । यही दूसरों की शिकायत है । मैं अर्ज करना चाहता हूँ कि यह शिकायत फिल वाक्या जरूरी शिकायत है, मुनासिब शिकायत है । लोग इतने वर्षों से यह समझते थे कि हमारी बवर्नमेंट आई है और स्वराज्य आ जाने से यहां राम राज्य आ जायगा । मैं पूछना चाहता हूँ कि किस चीज में ऐसी तरक्की हुई है जिससे लोग यह समझें कि जो हमारा ध्येय है वह पूरा हो सकेगा ?

दीवाली के मौके पर जब एक दूकानदार बही खाता देखता है, हिसाब करता है और तलपट बनाता है तो देखता है कि उसे क्या मुनाफा हुआ और क्या नुकसान हुआ । यह बजट भी नेशन का तलपट है, नेशन का बैलेंस शीट है । हम देखना चाहते हैं कि हमारी क्या तरक्की हुई है । सबसे अब्बल चीज जो हर एक आदमी को दुःख देती है वह चीन का हमसा है । अटैक्स तो शायद हम पर पहले से रहे होंगे, हमला तो चाहना पहले से ही करता रहा होगा, जिसे गवर्नमेंट ने हम से छिपाये रक्खा, लेकिन इस साल सारी नेशन को बाजेह हो गया कि चाहना ने तकरीबन १०,००० मील का इलाका, या कम व बेश, ठीक फिगर्स हमें पता नहीं, हिन्दुस्तान का हिथिया लिया । इससे कुछ कम या ज्यादा होगा, लेकिन एक हिस्सा जरूर उसने हिथिया लिया और उस पर अब भी काबिज है । गवर्नमेंट कई दफा कहती है कि हमें इल्म नहीं है, कई दफा कहती है कि साल्ट लेक पर कब्जा कर लिया, फलां चीज पर कब्जा कर लिया जहां तक देश की टैरिटरियल जूरिजिडिक्शन का ताल्लुक है । १०,००० मील का इलाका कम नहीं है । इसलिये कैसे यह बजट हमें तसल्ली दे सकता है ? रोज खबरें आती हैं कि हम फर्दर ऐग्रेसन नहीं होने देंगे, हम आइन्दा उसका मुकाबला करेंगे । लेकिन मैं किसी को यह कहते नहीं सुना कि १०,००० मील का जो हमारा इलाका है उसे वापस लेकर छोड़ेंगे । कैसे इससे लोगों

को तसल्ली हो सकती है ? सब लोग तो इंटेलिक्चुअल नहीं हैं । जहां तक हमारी पब्लिक का सवाल है वह गवर्नमेंट में भरोसा रखती है, लेकिन ताहम वह इस चीज को समझने से कासिर है । हमने बहुत कहानियां सुनी हैं, कई लोग जो देश में बहुत बहादुर नहीं समझे जाते वह कहते हैं कि अच्छा जो हुआ सो हुआ, अब की आगे सरके तो तेरा सिर पंसेरी से फोड़ देंगे । वह थोड़ा और सरका तो कहा कि अब की और आगे सरके तो तेरा सिर पंसेरी से फोड़ देंगे । इस तरह की आइडल थेट्स हमने सुनी हैं, अपने डिफेन्स मिनिस्टर साहब की भी सुनीं और दूसरों की भी सुनीं कि अब तक आगे बढ़ा सो बढ़ा, लेकिन अब की आगे बढ़ा तो नहीं बढ़ने देंगे । लेकिन मुझे दुःख है कि मैंने कभी यह नहीं सुना कि जो १०,००० मील का इलाका चीन ने ले लिया है उसे वापस लेकर छोड़ेंगे चाहे कुछ हो जाय । इससे लोगों में बेहद फस्टेशन है । लोग समझते हैं कि हम इस काबिल नहीं हैं कि अपनी जमीन को जो हमारी है बचा सकें । इसलिये बढ़ा सक्त फस्टेशन है । इस की वजह यह है कि लोगों का खयाल है कि अगर एक मिनट के लिये मान लिया जाय कि हमारा ध्येय यह है कि हम किसी से लड़ना नहीं चाहते, हमारी पालिसी यह है, लेकिन आखिर कब तक ? किस वक्त हम लड़ना शुरू करेंगे ? अगर आज आप देश में रिफरेन्डम लें तो लोग यही कहेंगे कि हमें पंडित जी की पालिसी पर विश्वास है, और मैं अर्ज करना चाहता हूँ कि मैं उनमें से हूँ जो रोज नेशनल फस्टेशन को देखते हैं । मैं रोज नेशनल ह्यमिलिएशन महसूस करता हूँ कि हमारे मुल्क पर दूसरे देश का कब्जा है । लेकिन ताहम मुझे पंडित जी की प्रकलमन्दी पर विश्वास है । हो सकता है कि अन्ध विश्वास हो, लेकिन फिर भी विश्वास है । हमने कई मौकों पर देखा है कि जब हम चाहते थे कि हमारे देश की पालिसी दूसरी हो तब भी पंडित जी की पालिसी से देश का फायदा हुआ । एक मौके पर जब पाकिस्तान ने अपने आदमियों को जबर्दस्ती हिन्दुस्तान के अन्दर

[पंडित: ठाकुर दास भार्गव]

भेजा और कई दफे हमें पुश दिये, हम लोग रोज समझते थे कि आखिर यह क्या हो रहा है और कहते भी थे पंडित जी की स्पीच के अन्दर मेथड्स की याद भी दिलाते थे, लेकिन हमने देखा कि आखिर में पंडित जी की पालिसी कामयाब हुई, दोनों देशों के अन्दर पीस हुई। जो रगड़े झगड़े हुए वह तो हुए, लेकिन लड़ाई नहीं हुई। आज भी हम पीसफुल हैं। जब कश्मीर का झगड़ा हुआ तो पंडित जी ने कहा अच्छा, इतना हिस्सा तुम्हारे पास रहने दिया जा सकता है। लोगों में उसको सुन कर बेचैनी हुई, लेकिन फिर भी हम जानते हैं और दूसरे लोग भी जानते हैं कि पंडित जी की पालिसी से हमारा देश लड़ाई से बचा और हम तमाम जहमतों से बचे। सब को पंडित जी की पालिसी पर यकीन है, लेकिन पंडित जी की पालिसी लांग टर्म है। आम आदमी जो हिन्दुस्तान में रहते हैं वह समझते हैं कि इस देश की जितनी जमीन पर चाइना ने कब्जा कर लिया वह नाकाबिले बर्दाश्त है। मैं अर्ज करना चाहता हूँ कि हो सकता है कि पंडित जी की पालिसी से हम जहमत से बच जायें और जो गया हुआ हिस्सा है वह वापस आ जाय। पंडित जी सबसे ज्यादा अक्लमन्द आदमी हैं हमारे देश में और कोई वजह नहीं है कि उनकी जो पालिसी है उसके लिये हम कहें कि ठीक नहीं है। लेकिन आम आदमी उस पालिसी को समझने से कासिर है। आज देश के अन्दर यह फस्टेशन है।

देश के अन्दर वह गवर्नमेंट मुबारक होती है, और वह गवर्नमेंट तरक्की करती है जिसको मुक्त के लोग फुल कोआपरेशन दें। मैं बड़े जोर-शोर से अपनी फाइनेन्स मिनिस्ट्री और फाइनेन्स मिनिस्टर साहब से अर्ज करता रहा हूँ कि हमारे जिले के अन्दर डिप्टी कमिश्नर जान लड़ा देते हैं कि स्माल सेविंग्स का रुपया लिया जाय। वह क्या कहते हैं कि यह रिजिस्ट्री नहीं होगी जब तक स्माल सेविंग्स का रुपया नहीं दोगे, या यह लाइसेंस नहीं मिलेगा आम्स का जब तक स्माल सेविंग्स का रुपया

नहीं दोगे। इस तरह की बातें वे करते हैं। इस दबाव के अन्दर लोग रुपया दे देते हैं। लेकिन मुझे दुःख है, और मैं भी उनमें से हूँ जो स्माल सेविंग्स के वास्ते बेहद कोशिश करते रहते हैं, कि २१ करोड़ रुपया वसूल हुआ इस मद में और एक साल के अन्दर २० करोड़ रुपया निकाल लिया गया, वापस ले लिया गया। इससे क्या फायदा हुआ गवर्नमेंट को? क्या फायदा हुआ नैशनल एक्स्चेकर को? कोई फायदा नहीं हुआ? अगर यह चीज दुस्त होती, अगर लोग सन्तुष्ट होते, लोगों का कोआपरेशन गवर्नमेंट के साथ होता, अगर लोग समझते कि यह स्माल सेविंग्स ऐसी चीज है जिससे देश का भला होगा, तो हगिज रुपया वापस न निकालते। आप को स्माल सेविंग्स के मुकाबले में गैम्बलिंग बान्ड्स की जरूरत न पड़ती कि आप प्राइज बान्ड्स से रुपया लें। लोग अगर यह बान्ड्स ले भी लेंगे लेकिन ताहम आप ने जो यह लास्ट स्कीम निकाली है उस से आप को रुपया नहीं मिलेगा। और अगर मिलेगा भी तो लोग उस को निकाल लेंगे। प्राइज बान्ड्स ले कर यह करेंगे कि प्राइज भी लेंगे और अपना रुपया भी निकाल लेंगे। मैं इस वास्ते अदब से अर्ज करना चाहता हूँ कि जब तक देश के अन्दर लोगों में संतोष न हो, पूरा कोआपरेशन न हो और लोग यह न समझें कि रुपया देने से देश का भला है उस वक्त तक गैर मुमकिन है कि यह चीजें बन सकें। लोगों के अन्दर ऐसी जागृति आनी जरूरी है। लेकिन लोग इस चीज को समझते नहीं हैं और आपकी पालिसीज जितनी है वह यहाँ पर इस साल के अन्दर तो बड़े जोर से चलती हैं लेकिन यहाँ से आगे चल कर सिर्फ दबाव से चलती हैं।

जनाबवाला, बजट में क्या देखना होता है। एक चीज तो मैं ने आपकी खिदमत में अर्ज कर दी कि १०,००० मील हिन्दुस्तान का ऐरिया कम हो गया। अब दूसरी चीज जो दुनिया के अन्दर बहुत सुख और शान्ति देती है उसकी तरफ मैं आपकी खिदमत

दिलाना चाहता हूँ। क्या देश के अन्दर इस १२ वर्ष के कांग्रेस शासन में, कांग्रेस रूल में यह हो सका है कि लोगों के अन्दर कुछ संतोष आया हो, लोगों के अन्दर सुख आया हो, या यह कि आपस में वे एक दूसरे की मदद करते हैं, कितनी सच्चाई आयी है या शराब खोरी कम हो गई है या यह कि करपान कम हो गया है जिससे कि लोगों को यकीन हो कि हम रामराज्य की तरफ बढ़ रहे हैं। हमने अपने कांस्टीट्यूशन में डाइरेक्टिव प्रिंसिपल्स में वह प्रिंसिपल्स रखे थे जिनके कि मुताबिक एक वेलफेयर स्टेट को काम करना था। अब अगर मैं उसकी एक एक चीज को लूँ तो बहुत वक्त लग जायगा और मैं इसलिए हर एक को अलग अलग नहीं लेना चाहता। अब मेरा तो हमेशा से किसी भी बजट को नापने का एक यह ही यार्डस्टिक रहा है कि आया कांस्टीट्यूशन में जो डाइरेक्टिव प्रिंसिपल्स दिये हुए हैं, उनके मुताबिक काम हुआ है और उसमें कुछ तरक्की हुई है कि नहीं। मेरा यह यार्डस्टिक तब भी रहा करता था जब कि मैं ब्रिटिश हुकूमत के जमाने के बजट पर गौर किया करता था। वह यार्डस्टिक यह थी कि सब से गरीब आदमी डिप्रेस्ड क्लासेज, शोडयूल्ड कास्ट्स और शोडयूल्ड ट्राइब्स के हैं उनके रहन सहन में कोई फर्क पड़ा है कि नहीं। उनको आज रोटी और तन ढंकने का कपड़ा मिलता है कि नहीं और उनको अपना सिर छिपाने के लिए कोई घर है कि नहीं। उनको भी कोई लेजर है या कल्चर है। उस वक्त भी यही मेरा यार्डस्टिक होता था और आज भी वही मेरा यार्डस्टिक है जिसकी कि बिना पर मैं किसी भी बजट को देखता हूँ। मैं तो यह देखता हूँ कि वह डाइरेक्टिव प्रिंसिपल्स को फलुफिल करता है कि नहीं। रोज अखबारों में पढ़ते हैं कि प्र विस में यू डिसिडेंट्स अलग हो गये और अमुक सूबे में यह झगड़ा चल रहा है या फलां मिनिस्टर ने इस तरह कहा और आज पार्लियामेंट में यह हो गया या आज वाकआउट हो गया, तो कहीं पर लेबर अनरैस्ट चल रहा है, इन चीजों

के सिवा मैं इस बजट में उस किसी चीज का इलाज नहीं देखता। मैं अदब से अर्ज करना चाहता हूँ कि यह चीजें जाहिर करती हैं कि देश के अन्दर सस्त अनरैस्ट है, देश में रैस्टलेसनेस है और मैं यह नहीं कह सकता हूँ कि यह बजट उस हालत को तबदील कर सकता है या पिछले बजटों ने उसको तबदील किया।

अभी मेरे दोस्त श्री मसानी जी ने फरमाया कि हमारे फाइनेंस मिनिस्टर साहब तो प्रिजनर आफ दी प्लान हैं। मेरी समझ में यह बिल्कुल सही बात उन्होंने फरमाई है क्योंकि अगर ऐसा न होता तो हमारे फाइनेंस मिनिस्टर साहब ऐसा बजट पेश किये होते जिससे कि आज देश की जो हालत है उसमें कुछ तबदीली जरूर हुई होती और आम लोगों की हालत में जाहरा बेहतरी आई होती। लेकिन अब यह जरूर है कि प्लानिंग कमिशन ने जो प्लान रक्खा है और जिसे हाउस ने मंजूर किया है और हाउस के कहने के मुताबिक उसके वास्ते रुपया लाना है तो अगर उस प्लान को सामने रख कर जो बजट उन्होंने देश के सामने पेश किया है तो वह बतौर यूनिनियन गवर्नमेंट के फाइनेंस मिनिस्टर के अपना पूरा फर्ज अदा करते हैं गो इस कांस्टीट्यूशन के मुताबिक, गो महात्मा गांधी और विनीबा भावे के कथन के मुताबिक उस यार्डस्टिक पर अगर नापा जाये तो उनका बजट पूरा नहीं उतरता। मैं अदब से अर्ज करना चाहता हूँ कि आज देश के अन्दर जो झगड़े चल रहे हैं, करपान चल रहा है वह तब तक बंद नहीं होगा जब तक कि हमारा और जो नौकरशाही है उसका मेंटल आउटलुक ठीक न होगा। जब तक देश के लोगों के अन्दर थोड़ा सा एक स्प्रिचुएल आउटलुक, एक संतोष की भावना पैदा नहीं होगी जब तक नौकरशाही की पुरानी जहनियत नहीं बदलती तब तक यह नामुमकिन है कि किसी बजट से या किन्हीं और प्रपोजल्स से हम आगे बढ़ सकें और देश को तरक्की के रास्ते पर चला सकें।

[पंडित ठाकुर दास भागव]

यह सही है कि देश में इधर काफी इंडस्ट्रियलाइजेशन बढ़ा है। घन की पैदावार ७३-५ मिलियन टन बढ़ गयी है। इन दोनों फील्ड्स में जो तरक्की हुई है वह निहायत अच्छी चीज है और जिनके कि लिए गवर्नमेंट को मुबारकबाद दी जानी चाहिए। लेकिन ताहम इनसे बढ़ा क्या? एक आदमी जो पहले दो मन अनाज पैदा करता था और उसको उस की पहले १५ रुपय कीमत मिलती थी, आज उसको उसी के ३० रुपय मिलते हैं लेकिन उसको जो अपनी चीजों पर खर्च करना पड़ता है वह जाकर ४० रुपये बैठता है तो मैं अब से अर्ज करना चाहता हूँ कि आपके इस डेवलपमेंट का क्या फायदा और प्रोडक्शन में इनक्रीज का क्या फायदा? आज हमारे देश के अन्दर मिडिल क्लासेज की जो खस्ता हालत है वह हमारे फाइनेंस मिनिस्टर साहब से मैं समझता हूँ पोशीदा नहीं होगी। अब मेरे कुछ दोस्त उधर के बैठने वाले जो कि प्राये दिन वर्कर्स की तनख्वाहों और काम की शर्तों आदि बेहतर करवाने के लिए आवाज उठाया करते हैं उनको तो बस अकेले मजदूरों की ही फिक्र है वैसे मैं साफ कर दूँ कि मैं कोई वर्कर्स के इंटरेस्ट्स के खिलाफ नहीं हूँ, मैं भी चाहता हूँ कि उनको अच्छी तनख्वाहें मिलें और उनकी हालत बेहतर हो, मैं चाहता हूँ कि मजदूरी पेशा लोगों को आइडियल कंडीशंस आफ वर्क मिलें। खाना कपड़ा सब मिले और उनका स्टेन्डर्ड अच्छा बने, लेकिन यह मजदूर तो देश में थोड़े से ही हैं। इनके अलावा देश में गांवों में करोड़ों खेती करने वाले मजदूर भी हैं और उनमें जिनकी कि हालत इनसे भी बदतर है और उनकी हालत बेहतर करने की ओर ध्यान देना सरकार का सब से पहला फर्ज होना चाहिए। आज हमारे डिप्रेस्ड क्लासेज की क्या हालत है? क्या आज उनको पेट भर रोटी, तन ढांकने को कपड़ा और सिर छिपाने के लिए मकान मयस्सर है? कांस्टीट्यूशन के आर्टिकल ४७ और ४८ के मुताबिक हमें

तमाम देश के लोगों की न्यूट्रिशन लेविष ऊंची करनी होगी। इसी तरह एग्रीकलचरस को साइंटिफिक और मार्टन लाईस पर चलाना है। एनीमल हल्बैंडरी की उन्नति करनी है। मैं अब से अर्ज करना चाहता हूँ कि अगर कहीं गवर्नमेंट ने आर्टिकल ४७ और ४८ की तरफ तबज्जह दी होती तो देश के लोगों की हालत कुछ और ही होती लेकिन इसका मतलब यह नहीं है कि गवर्नमेंट ने और चीजों पर तबज्जह देने में गलती की। अब हर एक आदमी अलग अलग सोचता है और अपनी अपनी तरह किसी भी चीज को प्राएरटी देता है। अब चूँकि मैं गांव से या गांव जैसे एरिया से आता हूँ तो जाहिर है कि मैं गांव के लोगों और एग्रीकलचर की तरफ ज्यादा तबज्जह दूंगा। अब गवर्नमेंट के सामने इस वक्त मुक्त के डिफेंस का सवाल पेश है। गवर्नमेंट आज इंडस्ट्रियलाइजेशन की तरफ बढ़ी हुई है और वह रैपिड इंडस्ट्रियलाइजेशन चाहती है और ठीक ही चाहती है क्योंकि एसा करके देश के अन्दर जो बेकारी फैली हुई है उसको बह दूर करना चाहती है। देश स्मूट्रिशाली बनेगा। अब मेरी राय में तो गवर्नमेंट ठीक प्राएरटी नहीं दे रही हैं क्योंकि कांस्टीट्यूशन में जिन जिन चीजों के वास्ते लिखा गया है उनको गवर्नमेंट ने प्राएरटी नहीं दी है और गलत रास्ते पर चल दी है। अब अगर आप फर्स्ट फाइव इयर प्लान की रिपोर्ट को देखें तो पायेंगे कि जहां तक एनीमल हल्बैंडरी का सवाल है और उसमें तरक्की करने का सवाल है, गवर्नमेंट ने उस की तरफ इन पांच सालों में कुछ नहीं किया। यह उनकी पहली फाइव इयर की रिपोर्ट में दर्ज है। अब एग्रीकलचरल जो कि सारे देश की तरक्की की बुनियाद है। सारे एम्पलायमेंट की बुनियाद है और हर एक अच्छी चीज की बुनियाद है, उसमें हमने कोई विशेष तरक्की नहीं करी है और जितना सरकार का ध्यान जाना चाहिए वह नहीं गया है। सरकार ने एनीमल हल्बैंडरी की भी जितनी पर्वाह करनी

चाहिए थी नहीं की। हमारी खेतीबाड़ी खास नहीं बढ़ी। शेडयूल्ड कास्ट्स की बाबत जिनका कि इतना रोना यहां हाउस में होता है आज उनको गांव के अन्दर छाछ तक भयस्सर नहीं है जो प्रोटेक्टिव खुराक है। मैं इससे पहले भी कई दफे यह चीज कह चुका हूँ। यह छाछ जो कि उनका स्टेपुल हूड है वह उनको बहुत कम मिलती है पहले के मुकाबले में क्योंकि देश में दूध की बहुत कमी है और दूध नहीं है। मैं कई दफे इस हाउस में कह चुका हूँ कि सन् ५६ में जो आपने आंकड़े दिये उनके मुताबिक ५२ करोड़ की बजाये दूध केवल ४६ करोड़ मन रह गया है। दूध की पैदावार पहले से काफी घट गयी है। इसका क्या असर हुआ? दूध अगर आप देखें तो उड़ीसा में एक गाय एक पाव दूध देती है आसाम में वहां आधा छटाक पर कैप्टा खर्चा है। जब हम कांस्टीट्यूशन को देखते हैं तो उसमें यह लिखा है कि हम एपीकलचर की पैदावार बढ़ायेंगे, एनीमल हस्बैंडरी की तरक्की करके लोगों की न्यूट्रिशन लेवल बढ़ायेंगे लेकिन क्या आज उधर हम बढ़ रहे हैं? आज मुझे अफसोस के साथ कहना पड़ता है कि हम उधर नहीं बढ़ रहे हैं और उधर जितनी तबज्जह दी जानी चाहिए वह नहीं दी जाती है। फर्स्ट फाइव ड्यर प्लान में तकरीबन १५ करोड़ रुपया एनीमल हस्बैंडरी के वास्ते रक्खा गया था उसमें से कुछ भी खर्च नहीं हुआ। अगर कुछ खर्च किया है तो वह सिर्फ इज्जतनगर में वैक्सीन बनाने पर खर्च हुआ है या इस बात पर खर्च हुआ है कि जानवरों की बीमारी को दूर करें। हमारे हेल्थ डिपार्टमेंट और दूसरे डिपार्टमेंट बीमारी को दूर करने पर तो खर्च करते हैं लेकिन बीमारी न हो इस के लिये कुछ खर्च नहीं करते। सारी एनीमल हस्बैंडरी के लिये कुछ नहीं किया गया है। एपीकलचर डिपार्टमेंट की रिपोर्ट है कि ७० फीसदी एनीमल्स के लिये हमारे पास कंसेंट्रेट नहीं हैं और २६ पर सेंट के लिये हमारे पास फाडर नहीं है। इस १२ बरस के अरसे में

इस तरफ क्रिमिनल निगलैक्ट किया गया इस से देश को बहुत बड़ा नुकसान पहुंचा है। जो रुपया इस के लिये रखा गया उस में से आधा भी इस पर खर्च नहीं हुआ। जरूर कुछ बेटरिगरी कालिज बन गया। मैं इस के खिलाफ नहीं हूँ लेकिन असली चीजों की तरफ तबज्जह नहीं दी जाती।

आप की तीसरी पंचवर्षीय योजना शुरू होने वाली है। अभी मसानी जी ने कहा कि इस प्लान के लिये एपीकलचर मिनिस्ट्री ११०० करोड़ रुपया मांगती है और प्लानिंग कमीशन ६०० करोड़ रुपया देना चाहती है। ऐसा करना कतई दुरुस्त नहीं है। मैं अब से अर्ज करना चाहता हूँ कि आज हालत यह है कि सेंट्रल एपीकलचरल मिनिस्ट्री हो या स्टेट्स की एपीकलचरल मिनिस्ट्रीज हों, जब भी कट पड़ा है तो उन के एनीमल हस्बैंडरी के रुपये पर कट पड़ा है। दो प्लान पूरे हो चुके। उन में एनीमल हस्बैंडरी को कुछ नहीं मिला। लेकिन अब वक्त आ गया है कि प्लानिंग कमीशन इस बात को समझ ले और इस को अपना आइडियल समझ ले कि एनीमल हस्बैंडरी के लिए जब तक तीसरी योजना में १०० करोड़ रुपया नहीं रखा जायगा तब तक उस की कुछ भी तरक्की नहीं हो सकती क्योंकि उस को इतने अरसे से निगलैक्ट किया गया है। अगर इतना रुपया एनीमल हस्बैंडरी के लिये रखा जायगा और देश में मिक्स्ड फार्मिंग के लिये ४० करोड़ रखा जायेगा तो मुनासिब तरक्की होगी। बगैर मिक्स्ड फार्मिंग के देश की एपीकलचरल प्रोड्यूस नहीं बढ़ सकती, आप का ११० मिलियन टन का आइडियल तभी पूरा हो सकता है जबकि मिक्स्ड फार्मिंग हो। इस के लिए एनीमल हस्बैंडरी की तरक्की करना निहायत जरूरी होगा। अगर आप एनीमल हस्बैंडरी की तरफ तबज्जह देंगे तो आप का सब कुछ काम बन जायेगा। कहते थे कि हमारे यहां दूध की नदियां बहती थीं लेकिन आज हालत

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यह है कि लोग दूध बे: लिये तरसते हैं । मैं स्विटजरलैंड में गया तो मुझे यह देख कर बड़ी शर्म आयी कि वहां का दूध हमारे यहां के दूध बे: मुकाबले में बहुत अच्छा था । हमारे देश में आज गाए साढ़े दस छाटांक दूध देती है और डेनमार्क में एक एक गाय साढ़े दस सेर रोजाना औसतन दूध देती है । इस देश के १६ पर सेंट कुन्रे तो यह नहीं जानते कि दूध क्या चीज है । आप बगैर दूध के फिजिकल पावर कहां से लायेंगे । आप ने कांस्टीट्यूशन में लिखा है कि आप लोगों की खुराक को न्यूट्रीशनल वैल्यू बढ़ायेंगे, दूध बढ़ायेंगे । लेकिन हम देखते हैं कि उस तरफ आप की तवज्जह नहीं है । इसलिये मैं अदब से अर्ज करना चाहता हूं कि हमारे देश में जो असली वैल्यूज हैं उन को तरफ गवर्नमेंट ने तवज्जह नहीं दी है ।

आज कल यह बहुत चर्चा चल रही है कि करप्शन को दूर करो । इस बारे में बहस-मुवाहिसा बहुत होता है, लेकिन मैं अर्ज करना चाहता हूं कि मामूली आदमी के मन में शक पैदा हो गया है । एक पटवारी और कानूनगो का करप्शन इतना नुकसान नहीं पहुंचाता लेकिन आज मिनिस्टर्स पर करप्शन के चार्ज लगाये जा रहे हैं । इसलिये मैं यहां से कहना चाहता हूं कि आज जो मिनिस्टर्स पर करप्शन के चार्ज लगाये जा रहे हैं उन को अगर आप साफ नहीं करेंगे तो पब्लिक माइंड पर इस का इतना सख्त रिक्लेशन होगा कि कोई गवर्नमेंट पर यकीन नहीं करेगा । मैं यह नहीं कहता कि हमारे मिनिस्टर करप्ट हैं । मैं तो अपने मिनिस्टर्स की बहुत इज्जत करता हूं और मैं समझता हूं कि शायद ऐसा नहीं होगा लेकिन यह बात कहने वाला भी एक बड़ा आदमी है, एक्स मिनिस्टर है वह भी हमारा एक मान्य पुराना मिनिस्टर है । मैं यह नहीं कहता कि आप परमानेंट ट्राइबुनल बनायें लेकिन मैं अदब से अर्ज करना चाहता हूं कि अगर आप चाहते हैं कि देश के अन्दर

लोग समझें कि हम एक मारल आर्डर के मातहत हैं, और हमारी गवर्नमेंट दरअसल ईमानदारी से काम कर रही है, तो आप का यह पहला फर्ज है कि आप उन मिनिस्टर्स के खिलाफ एन्ववायरी करायें और उन को सुखरू करें । यह चीज मिनिस्टर्स के इंटेरेस्ट में है और पब्लिक के इंटेरेस्ट में भी बहुत ज्यादा है । आज देश में जो विहसपरिंग केमपेन चल रहा है यह बहुत खराब है । यह देश के लोगों का मोरेल बहुत जल्द गिरा देता है । अगर यह मालूम हो जाय कि कोई मिनिस्टर करप्ट है तो उस के मातहत तो समझने लगते हैं कि रिक्लेंट लेना उन का धर्म है । इसलिये जो यह करप्शन का सवाल है इस को हमें हल करने की तरफ पूरी तवज्जह देनी चाहिये ।

क्या क्या चीजें अर्ज करूं । कहने को तो बहुत कुछ है । लेकिन मैं एक छोटी सी चीज अर्ज कर देना चाहता हूं ।

Mr. Chairman: He has already taken nearly 25 minutes.

Pandit Thakur Das Bhargava: I will finish within five minutes.

मैं एक चीज का जिक्र करना चाहता हूं । इस का कहीं भी जिक्र नहीं है । मैं अदब से अर्ज करना चाहता हूं कि जहां तक शराब का सवाल है इस बजट में कितना इस्तीमाल कम हुआ या ज्यादा हुआ दर्ज होना चाहिये कि शराब का क्या हुआ । कांस्टीट्यूशन में लिखा है कि हम सिवा मैडीसिन के वास्ते इंटाक्सिकेटिंग ड्रिक्स को बन्द कर देंगे । लेकिन मुझे दुःख होता है यह देख कर कि डिस्ट्रिक्ट मजिस्ट्रेट और बड़े बड़े अफसर और बड़े बड़े रईस लोग आम तौर पर शराब पीते हैं और दुनिया को दिखलाते हैं कि हम शराब पीते हैं । मैं जानता हूं कि शराब के क्या क्या नुकसानात हैं । बहुत से मरडसं शराब की वजह से होते हैं । इस से लोगों को वैलफयर पर

बहुत बुरा असर पड़ता है। तो इस को हमें सब स्टेट्स में बन्द करना चाहिये था लेकिन नहीं किया गया। मैं अदब में अर्ज करना चाहता हूँ कि जो मोरल व स्पिरिचुअल वैल्यूज हैं उन की तरफ हमारी तबज्जह बहुत कम है। आप के जो बजट के फिगर हैं वह तो पब्लिक को कनफ्यूजन में डाल देते हैं। और वह उन को समझ नहीं पाते। लेकिन इस बजट को पढ़ने के बाद मैं अदब से अर्ज करना चाहता हूँ कि जो मोरल और रूहानी चीजें हैं देश के लिये उन पर हमारा ध्यान नहीं है। मैं अदब से अर्ज करना चाहता हूँ कि बजट में यह चीज हमारे सामने आनी चाहिये कि जहां तक डाइरेक्टिव प्रिंसिपल्स का सवाल है, उस तरफ हम कितना आगे बढ़े हैं। या तो आप इस तरफ तबज्जह दीजिये या इस को वेल-फेयर स्टेट और रामराज्य कहना छोड़ दीजिये। मैं देखता हूँ कि जो जरूरी चीजें हैं उन की तरफ आप की तबज्जह नहीं है। इसलिये मैं अर्ज करना चाहता हूँ कि इस बजट से मुझ सन्तोष नहीं है।

श्री राम शरण (मुरादाबाद) : सभापति जी, वित्त मंत्री जी के भाषण और जो कागजात बजट के सम्बन्ध में दिये गये हैं उन से मालूम होता है कि देश में औद्योगीकरण बढ़ रहा है और कृषि का उत्पादन भी बढ़ा है। साथ ही साथ रिवर वैली प्रोजेक्ट्स को सफल बनाया जा रहा है। देहात के लिये सामुदायिक विकास योजना, कम्युनिटी डेवलपमेंट स्कीम, चल रही है और आगा है कि सन् १९६३ तक हर एक गांव में यह योजना लागू हो जायेगी। यह सब होते हुए भी हम उन करोड़ों व्यक्तियों के लिये बहुत कम, बल्कि कहना चाहिये कि कुछ भी नहीं कर सके हैं जिन के पास भूमि नहीं है और जिन की वसत का जरिया केवल उन की मेहनत है।

बेरोजगारी बढ़ रही है और खास तौर पर जो पढ़े लिखे लोग हैं उन की बेकारी और भी अधिक बढ़ रही है। हम अभी तक

शिक्षा में नियोजन नहीं कर सके हैं जिस की बड़ी आवश्यकता है। हमारे देश में देखा जाता है कि जो टेकनिकल हैंड्स हैं वह भी बेकार दिखलायी देते हैं। कम्युनिटी डेवलपमेंट या सामुदायिक विकास योजना के द्वारा देहात की हालत कुछ सुधरी है लेकिन उस के सुधरने के साथ ही साथ देहात में असमानता बढ़ी है। यू० एन० टीम की इवैल्युएशन रिपोर्ट में भी कहा गया है कि देहात में इस के जरिये से डिस्पैरिटी बढ़ी है। इसलिये योजनाओं को इस तरह बनाना चाहिये कि वे सब पर लागू हों और सब उन को अपना समझें। सब की स्थिति संभालना निहायत जरूरी है और देहात में सामुदायिक विकास योजना सब तक नहीं पहुंच सकी है।

खास तौर पर जहां तक देहात के उद्योगों का प्रश्न है वह अभी तक सामुदायिक विकास योजना से हल नहीं हो सका है। हां इस दिशा में विनेज इंडस्ट्रीज कमीशन ने कुछ किया है लेकिन उस के पास भी साधन बहुत कम है। इस बजट में इस काम के लिये केवल १४ करोड़ ७५ लाख रुपया रखा गया है और पिछले वर्षों में केवल आठ दस करोड़ इस के जरिये से खर्च हुआ है। तो जब तक कृषि के साथ साथ ग्रामोद्योगों को अधिक प्रोत्साहन नहीं मिलेगा तब तक साधारण देहाती की हालत सुधरना कठिन होगा चाहे हम कितना ही चतुर्मुखी औद्योगिक योजनाओं द्वारा देश को सम्पन्न बनाने का प्रयत्न क्यों न करें।

अब मैं कुछ बातें बजट के सम्बन्ध में कहना चाहता हूँ, वह यह कि हमारे देश में गणतंत्र की स्थापना के बाद कुछ वर्ष ऐसे थे कि जिन में हमारे बजट बचत के बने। सन् १९५७-५८ तक हमारा बजट बचत का बजट रहा। सन् १९५१-५२ में १२८ करोड़ का सरप्लस था, और सन् १९५६-५७ में ८९ करोड़ का सरप्लस रहा। लेकिन सन् १९५८-५९ में कमी का बजट बनना शुरू हो गया है। हम देखते हैं कि वर्ष के शुरू में बहुत अधिक डिफिसिट होता है लेकिन

[श्री राम शरण]

अन्त में वह बहुत कम रह जाता है। सन् १९५८-५९ में २८ करोड़ का डेफिसिट रखा गया था। रिवाइज्ड एस्टीमेट्स बने तो वह ६० करोड़ का हो गया लेकिन जब एक्चुअल पर आय तो ५ करोड़ २४ लाख ही रह गया। इसी तरह से सन् १९५९-६० में ५९ करोड़ का डेफिसिट दिखाया गया लेकिन जब रिवाइज्ड एस्टीमेट बना तो वह १५.३९ करोड़ ही रह गया। यों तो कोई न कोई आकस्मिक कारण हो जाता है जिस की वजह से खर्चा कम हो जाता है या आमदनी बढ़ जाती है, लेकिन फिर भी हम को अपने आंकड़ों को पूरी सावधानी से रखना चाहिये। साथ ही साथ यह भी कहना है कि जहां तक कि डेफिसिट बजट का संबंध है, सरप्लस से डेफिसिट बजट बनाना हितकर है क्योंकि डेफिसिट बजट बनाने से हम जो लोगों के ऊपर साधारण तौर पर जो अधिक कर लगाते हैं वह कर नहीं लगायेंगे। बल्कि अगर जरूरत पड़ी, तो ऋण के द्वारा, या किसी और उपाय से, जैसाकि डेफिसिट फ़िनांसिंग से किया जाता है, उस की पूर्ति करेंगे। यह भी आवश्यक है कि डेफिसिट फ़िनांसिंग को भी एक सीमा में रखा जाये।

इस बजट की पूर्ति अप्रत्यक्ष करों—
इनडायरेक्ट टैक्सिज—के द्वारा की गई है। जिन देशों में ज्यादा जानकारी नहीं है, जो ज्यादा पढ़े लिखे नहीं हैं, जो ज्यादा डेवेलपड नहीं हैं, यहां देखा जाता है कि आमदनी अप्रत्यक्ष करों के द्वारा बढ़ाई जाती है। हमारे देश में भी यही काम में लाया गया है और यहां पर एक्साइज और कस्टमज, इन दो करों के द्वारा ही आमदनी बढ़ाने का प्रयत्न किया गया है। हमारी रेवेन्यू की आमदनी ९२० करोड़ के लगभग है। उस में से एक्साइज की आमदनी ३८० करोड़ है, यानी कुल आमदनी का ४१.३० प्रतिशत। इतना हम को सिर्फ एक्साइज से ही वसूल हो जाता है। आमदनी का दूसरा जरिया कस्टमज—

तटकर—है, जिस से १६३ करोड़ रुपए वसूल होते हैं, जो कि कुल आमदनी का १७.६६ परसेंट है, इस प्रकार हम देखते हैं कि हमारी आमदनी का मुख्य जरिया अप्रत्यक्ष कर हैं और उन में भी एक्साइज और कस्टमज मुख्य हैं।

जहां तक प्रत्यक्ष करों का सम्बन्ध है, वहां सब से अधिक आमदनी कार्पोरेशन टैक्स से होती है, जो कि १३५ करोड़ रुपए है, जिस का औसत १४.६ परसेंट आता है। जहां तक आयकर का सम्बन्ध है, उस का अधिकतर हिस्सा राज्यों में विभक्त हो जाता है। इस लिए केन्द्र को उम की आमदनी बहुत कम होती है। अगर इन प्रत्यक्ष और अप्रत्यक्ष करों का इवेंजन न हो—लोग उन करों में बचें नहीं, तो पता चलता है कि हम अपने बहुत सारा बजट का खर्चा इन चार करों के द्वारा—एक्साइज, कस्टम, कार्पोरेशन टैक्स और इनकम टैक्स के द्वारा ही चला सकते हैं। लेकिन बहुत सारा रुपया इवेंजन में चला जाता है। जैसा कि प्रोफेसर कालडर ने कहा है, लगभग दो तीन सौ करोड़ रुपया लोग इवेंड करते हैं, बचाते हैं और आमदनी में उतनी ही कमी हो जाती है।

इस साल कोई डायरेक्ट टैक्सिज नहीं बढ़ाए गए हैं और यह मालूम होता है कि या तो डायरेक्ट टैक्सिज बहुत काफी हो गए हैं, या यह कहा जा सकता है कि प्रवृत्ति इस प्रकार की है कि हम आगे चल कर एक ऐसी सैल्फ-जेनींगिंग इकानोमी कायम कर दें, जिस से जो बचत हो इंडिस्ट्रियल डेवेलपमेंट से, बड़े बड़े उद्योगों से जो बचत हो, उस से कैपिटल फ़ार्मेशन हो, पंजी बने और वह देश में और उद्योग बढ़ाने में लगे।

जहां भी इनडायरेक्ट टैक्स लगता है, वहां कीमतें बढ़ जाती हैं और बाज़ दफ़ा उस अनुपात से भी ज्यादा बढ़ जाती हैं, जिस

से कर लगाया जाता है। जो नये कर लगाए गए हैं, वे ज्यादातर परिवहन—ट्रान्स्पोर्ट—पर लगे हैं। आदमी के ट्रान्स्पोर्ट से ले कर सार्वजनिक ट्रान्स्पोर्ट तक कर लगाया गया है। साइकिल पर दस रुपए प्रति साइकिल कर लगाया गया है। डीजल आयल पर १०५ नए पैसे प्रति गलन के हिमाब मे ड्यूटी लगा दी गई है। डीजल इंजन पर १० परसेंट ड्यूटी लगा दी गई है। टुकम और लारीज पर १५ परसेंट ड्यूटी लगा दी गई है। इस से यह अन्देशा है कि सर्व-साधारण के किराये में कहीं वृद्धि न हो जाये। इस लिए यह निवेदन है कि साइकिल और ट्रान्स्पोर्ट इंडस्ट्री के कर को कम करने का प्रयत्न किया जाये।

मैं वित्त मंत्री जी को इस लिए बधाई देना चाहता हूँ कि खंडसारी पर पिछले वर्ष जो एक्साइज लगा था, जो बाद में कुछ घटा दिया गया था, अब उस की जगह १ मार्च से कम्पाउंड ड्यूटी कर दी गई है। आशा है कि अभी तक उस से गवर्नमेंट को जो नहीं के बराबर आमदनी हुई है, वह बढ़ जायेगी। पिछले वर्ष जो खंडसारी पर एक्साइज लगाया गया था, उस से १,२२ लाख रुपए की आमदनी का अन्दाजा था, लेकिन फिन स बिल पेश करते समय वित्त मंत्री जी ने यह घोषणा की कि एक्साइज को कुछ कम कर दिया जायगा और जिससे आमदनी ६१ लाख कम हो जायगी, यानी १,२१ लाख रुपए की आमदनी का ख्याल था, जो कि खंडसारी पर कर लगाने से होती लेकिन प्रश्नों के उत्तर से यह मालूम होता है कि हम को मार्च के आखिर तक २० लाख से अधिक आमदनी नहीं हा मकेगी। १,२१ लाख रुपए की आमदनी का अन्दाज था, लेकिन आमदनी २० लाख से अधिक नहीं हो सकेगी। जहाँ तक खर्च का मवाल है, मैं समझता हूँ कि इस कर की वसूली में २० लाख से कहीं अधिक खर्च हो गया होगा। आशा है कि कम्पाउंड ड्यूटी करने में यह खर्च कम होगा और आमदनी बढ़ेगी। ग्रह ड्यूटी आल्टरनेट है। जिस प्रकार से फ्री हंडरवेट खंडसारी पर जो ड्यूटी है, यदि व्यापारी

चाहे, तो उस को कम्पाउंड ड्यूटी में परिणत कर सकते हैं। जब तक कम्पाउंड ड्यूटी नहीं लगी थी, तब तक बहुत से व्यापारियों ने और साथ ही साथ निम्न प्रकार के कर्मचारियों ने बहुत अनुचित लाभ उठाया और उन को बहुत अधिक लाभ हुआ। साथ ही गवर्नमेंट को हानि हुई और उस के साथ किसानों को भी हानि हुई, क्योंकि खंडसारी राब से बनती है और राब की कीमत फौरन गिर गई। सरकार और किसान दोनों को नुकसान हुआ और वेईमान व्यापारियों और कर्मचारियों को इससे लाभ हुआ। आशा की जाती है कि कम्पाउंड ड्यूटी करने से अब गवर्नमेंट को और साथ ही साथ किसान को भी लाभ होगा, क्योंकि मुना जाता है कि ड्यूटी के कम्पाउंड होने से राब की कीमत बढ़ गई और इस तरह से किसान को भी अधिक पैसे मिलेंगे और ईमानदार व्यापारी के लिए बहुत अधिक सहूलियत हो गई है।

इस सम्बन्ध में यह भी निवेदन करना है कि यदि इस ड्यूटी को बजाये आल्टरनेट करने के हम केवल कम्पाउंड ड्यूटी रहने दें, तो बहुत सहूलियत हो जायेगी। बहुत सारा स्टाफ जो बढ़ाया गया है, वह कम कर दिया जायेगा और गवर्नमेंट को ज्यादा फायदा होगा। लेकिन अगर आल्टरनेट रखें ही, तो अगर उस को कुछ कम कर दें, तो कुछ व्यापारी, जो उस को फ्री हंडरवेट के हिमाब से लगवाना चाहते हैं, व भी कम्पाउंड ड्यूटी के लिए तैयार हों जायेंगे और इस से आमदनी बढ़ेगी और खर्च कम होगा। इस प्रकार से गवर्नमेंट को ज्यादा फायदा होगा।

इस सम्बन्ध में मैं यह भी कह देना चाहता हूँ कि खंडसारी पर जो एक्साइज ड्यूटी लगी है, उसका मुख्य कारण यह मालूम होता है कि आज-कल बहुत सारे मल्फीटेशन प्लांट लग गए हैं और उन प्लांट्स में चीनी वैसी ही तैयार होती है, जिस प्रकार की कि मिल से तैयार होती है बल्कि उस का कण कुछ बड़ा भी होता है। पिछले दिनों यह देख गया है कि मल्फीटेशन प्लांट में

[श्री राम शरण]

जो चीनी निकली, उस की कीमत मिल की चीनी की कीमत से चार पांच रुपए अधिक थी और इस प्रकार उन को बहुत अधिक लाभ हुआ। सल्फोशेशन प्लांट से जो चीनी निकलती है, उस में और खंडसारी में भेद है। फिनांस मिनिस्टर ने पिछले साल दोनों की ड्यूटी कम कर के दोनों की ड्यूटी में फर्क रखा था—उस वक्त भेद कर दिया था। अब खंडसारी की ड्यूटी को कम्पाउंड कर के उस भेद को और भी पूरा कर दिया गया है। इस प्रकार से इन दोनों को एक कहना, या सल्फोशेशन की चीनी को खंडसारी समझना एक प्रकार से मिथानामर है, यह ठीक प्रकार से उस को व्यक्त नहीं किया जाता है। सल्फोशेशन और खंडसारी अलगहदा अलगहदा हैं। खांडसारी जो इस प्रकार से तैयार होती है उसमें एक और विशेषता है। एक सेंट्रीफ्यूगल मशीन होती है उसको चाहे हाथ से चलाया जाए, चाहे बिजली से चलाया जाए, उसमें चीनी निकाली जाती है, और बाद को जो शीरा वचता है उसका या तो गुड़ बना लेने है या खाने के काम में आ जाता है। लेकिन मिल या सल्फोशेशन में जो शीरा निकलता है वह खाने के काम में नहीं आता है, बल्कि उसमें कुछ स्पिरिट या इस तरह की दूसरी चीजें बनती हैं। इस तरह से खांडसारी तैयार होने में हमको खाने पीने की चीज, चाहे वह गुड़ हो या चीनी हो, मात्रा में अधिक मिल जाती है, सौ मन गन्ने में से दस मन या ग्यारह मन या बारह मन मिल जाती है जबकि मिलों में सौ मन गन्ने में से चीनी दस मन मिलती है और सल्फो-शेशन प्लांट में चीनी सात मन अधिक से अधिक मिलती है। इस वास्ते मैं चाहता हूँ कि खांडसारी उद्योग को अधिक से अधिक प्रोत्साहन मिलना चाहिए और यदि ऐसा किया गया तो हम देश में जो कामन प्रोडक्शन प्रोग्राम चलाना चाहते हैं चाहे वह कपड़े के सम्बन्ध में हो, चाहे चीनी के सम्बन्ध में हो चाहे किसी और पदार्थ के सम्बन्ध में हो,

उसको हम सफलतापूर्वक चला सकेंगे। यह समझना कि खांडसारी नैशनल लाइफ में एक वेस्टफुल कम्पोजिटी है, ठीक नहीं होगा। इसका कारण यह भी है कि इसमें जो खाद्य पदार्थ मिलते हैं वे बहुत अच्छे ही प्रकार के मिलने हैं और वैज्ञानिकों ने भी इसको साबित कर दिया है। अमरीकी साइंटिस्ट ने शीरे की प्रशंसा की है। लार्ड ग्रेसर ने तो यहां तक कहा कि यह वन आफ दी फोर वंडर फूड्स आफ दी वर्ल्ड है। इस प्रकार के फूड शीरे खंडसारी से प्राप्त किया जाता है।

एक बात और कह कर मैं समाप्त कर दूंगा और वह बढ़ती हुई की तों के सम्बन्ध में है...

सभ,परि: सहोद: : कितनी बढ़ी बात है? आपका समय हो चुका है।

श्री राम शरण: एक मिनट में खत्म कर दूंगा।

जब हम यह देखते हैं कि कीमतें कितनी बढ़ी या घटी है तो या तो वर्कमेंस कास्ट ऑफ लिविंग इंडेक्स लेते हैं या होलसेल प्राइमिस के इन्डिक्स से इसे देखते हैं। इन दोनों इन्डिक्सों में यदि देखा जाए तो पता चलता है कि कीमतें बढ़ गई हैं और इसका असर साधारण जनता पर खराब पड़ा है। लेकिन साथ ही साथ यह भी विचार करना चाहिए कि किन खाद्य पदार्थों की कीमतें बढ़ी हैं। कीमतें कम होनी चाहियें जैसे ऐसा कई माननीय सदस्यों ने कहा है लेकिन मैं आपको बतलाना चाहता हूँ कि जहां तक खाद्य पदार्थों का सम्बन्ध है, गेहूँ की कीमतें २५ परसेंट घट गई हैं, चावल की थोड़ी ही बढ़ी है, लेकिन ज्यादातर एडिबल ग्रायल्स शूगर, गुड़, चाय इत्यादि की अधिक बढ़ी हैं। बदकिस्मती यह है कि इंडेक्स नम्बर बताने समय हर एक वस्तु को समान तरीके से लेते हैं एक मा उसको बेट देने हैं। लेकिन

अगर वेटिड इंडेक्स नम्बर के हिसाब से देखा जाए तो मैं समझता हूँ कि कीमतें इतनी बढ़ी हुई दिखाई नहीं देंगी जितनी की साधारण इंडेक्स नम्बर से दिखाई पड़ती है। इस महंगाई का असर साधारण तौर पर मिडल क्लास के लोगों पर खराब पड़ा है लेकिन फिर भी इतना ज्यादा नहीं जितना कि साधारण इंडेक्स नम्बर से यह व्यक्त किया जाता है।

अन्त में मैं आपको धन्यवाद देता हूँ कि आपने मुझे बोलने का अवसर दिया।

Shri D. R. Chavan (Karad): Mr. Chairman, Sir, the general public in the country is interested in the Budget every year in so far as it involves any change in the levels of taxation. The annual Budget of the Government of India is the photographic representation of the economic situation in the country, which really determines the Budget for the new year. Therefore, it is imperative that the intelligent public opinion in the country must have a full appreciation of the various aspects of our economic life like production of food, agriculture, monetary conditions, balance of payments, deficit financing, price level and the cost of living.

Before I examine the Budget proposals I should like to deal with some of the aspects of our economic life. When the Second Plan was formulated, it was estimated by the Planning Commission that although the gap in the resources would be much larger, Government will have to make an effort to raise Rs. 450 crores by additional taxation during the 5 year period. The Planning Commission had envisaged that out of the total of Rs. 4,800 crores, Rs. 800 crores would be available from the revenue surplus of the Centre and the States. Later, in December, 1956, the National Development Council decided that the uncovered gap of Rs. 400 crores between the Plan outlay and the prospective resources also could be made up by additional taxation.

Thus Rs. 1,200 crores were to be raised by revenue surplus, Rs. 350 crores from the revenue surplus of 1955 level of taxation and Rs. 350 crores from additional receipts under the fresh measures of taxation.

The Finance Minister has obliged the Planning Commission by putting taxation on a level which has ensured receipts of about Rs. 950 crores during the Second Plan period. Thus, year after year, heavier burdens have been made to be borne by the people. How these burdens are proposed to be shared by the different categories of the people can be ascertained from the heads under which these taxes are levied and have been levied.

Let us examine these Budget proposals. We find that the Central Excise duties were enhanced on cotton fabrics, soap, strawboard, and artificial silk fabrics; and new duties were levied on non-essential vegetable oils, high-speed diesel oil and vapourising oils. Registration fee and inland telgeram rates were raised in 1955-56.

In addition to the regular Budget in February 1956, new taxation proposals were presented to Parliament once in September 1956, and then, again, in November, 1956. Under the first proposals excise duties were increased on cloth. The estimated yield from this additional duty was placed at Rs. 17.5 crores.

Thus, there were practically three Budgets in a year and the total additional income was estimated to be Rs 68.5 crores.

Again, in 1957-58, the excise duties were imposed on motor spirit, diesel oil (refined), diesel oil (unspecified), kerosene, cement, steel ingot, sugar, vegetable oil, tea, coffee unmanufactured tobacco, matches, paper and the railway passenger fares, all indirect taxation on articles of common consumption.

[Shri D. R. Chavan]

16.50 hrs.

[MR. SPEAKER in the Chair]

The proposals were estimated to yield Rs. 80.80 crores. Then, again, in 1958-59, excise duties on cement, cloth and vegetable oil products were imposed. In 1959-60 excise duties yielding about Rs. 18.08 crores were imposed on tea, sugar, oils, cigarettes and transport. This year, excise duties which are estimated to yield Rs. 23.53 crores are imposed.

This analysis will show that the major burden was on commodity taxes. While taxes are being levied, no consideration is given to the principles of social justice or the Plan objective of raising the standard of living of the people and reducing inequalities.

It will be seen that the tax system in India is not well balanced. There is a predominance of indirect taxation. In India, the proportion of direct taxes to the total tax declined from 45 per cent in 1944-45 to 24 per cent in the year 1954-55 and the decline continued still further in subsequent years. Last year the Finance Minister scrapped the wealth tax and the excess dividend tax on companies, two measures which were hailed as stepping stones towards our goal to socialism and an egalitarian society.

It has been pointed out by a well known economist that the proportion of direct taxes to total tax is 53 per cent. in U.K., over 60 per cent in Canada and South Africa, 65 per cent in Australia and Japan, 88 per cent in USA and 40 per cent in Ceylon.

As a matter of fact, the receipts from income-tax declined from Rs. 195 crores in 1944-45 to Rs. 169 crores in 1953-54 and to Rs. 161 crores in 1957-58. Thereafter it remained stagnant.

While all the important heads of commodity taxations have shown a notable rise and the total of

this group (taxes on commodities) has risen and is rising consistently, our industrial production increased. The index number of industrial production which was 122.4 in 1955 increased to 151.9 in January, 1959 (Basic year 1951=100). The industrial profits also increased. The index number of industrial profits in 1956 was 326.5 as against 246.6 in 1950 and 310.5 in 1951 (index number 1939=100).

But the taxes on individual income remained stagnant. This indicates that there is tax evasion to a considerable extent. The prevention of tax evasion, which is competently estimated at Rs. 200 crores to Rs. 300 crores per year may add to the revenues materially at existing tax rates. The stagnation of the taxes on individual income since 1951-52, notwithstanding a 20 per cent rise in the national income in the meanwhile would seem to suggest that tax evasion is a currently active phenomenon in the country.

It will be clear from the above analysis that excise duties are playing an increasing role in central finance. These are duties on goods produced in India, that is, matches, vegetable products, tobacco, kerosene, motor spirit, coffee, tea, sugar, cloth etc.—all articles of common consumption. Their yield increased from Rs. 8.66 crores in 1938-39 to Rs. 104.05 crores in 1954-55 to Rs. 304.76 crores in 1958-59 and Rs. 379.94 crores in 1960-61. It will thus be seen that these excise duties are regressive in incidence. Their burden falls more upon the middle classes and the poor people.

It will further be seen that so far as the people are concerned they have contributed to the plan much more than the expectations of the Planning Commission.

Let us see another picture. Let us have a look at the actual revenue and expenditure accounts. We find most of the increased revenues from increased taxations have been diverted

to expenditure on administrative and non-plan items. There have been unplanned and unwarranted increase in expenditure in civil administration. Expenditure on civil administration which was Rs. 35.50 crores in 1948-49, the year when we became independent, in 1950-51 it was Rs. 48.80 crores, in 1955-56 it was Rs. 94.08 crores and in 1956-57 it as Rs. 122.29 crores. The revised estimate for 1959-60 placed this figure at Rs. 243.70 crores and the Budget Estimate for 1960-61, the last year of the Plan, at Rs. 272.26 crores.

The expenditure under the head union police also is increasing. It was Rs. 1.69 crores in 1948-49 and Rs. 4.17 crores in 1955-56. Budget estimates place this figure at Rs. 7.21 crores. The expenditure under Defence and External Affairs is also constantly rising. We seem to have lost sight of the fact that the money with which we have to work is the money of the people and the people is one of the poorest people on the surface of the earth. Therefore, it is necessary that the Government should make the best use of the money of the people. But our Government in recent years especially, has acted in the spirit of the 'new par' trying to ape the manners of the new rich.

One proof in the illustration of this gaiety with which Governments in India spend the money of the people is the new secretariat buildings that have arisen in almost every State capital in India. Another way of looking at the expenditure of the Government of India on administration is to study the official report called the *Economics and Finances of the Central Government Budget*. Wages and salaries amount to about more than Rs. 200 crores; that is to say, almost about one-fourth of the revenue of the country is absorbed in wages and salaries paid to officials of the Central Government.

We have too many persons in our departments. The number of persons in our departments must also be

drastically reduced. Every Ministry wants one Secretary, at least two Deputy Secretaries and as many superintendents and section officers and as large a number of clerks as can be got because it adds to the prestige of the Ministers, Sir Jhon Thorne....

Shri Kalika Singh (Azamgarh): The hon. Member is reading his speech so fast that we cannot just follow.

Mr. Speaker: The hon. Member will try to go a little more slowly; and he cannot go on reading his speech. Occasionally, he may consult his notes.

Shri D. R. Chavan: I am quoting Sir. John Thorne a very distinguished member of the Indian Civil Service who finally retired as Home Member of the Governor-General's Executive Council, who came back to India on a visit in 1956. His comments on the working of the Government of India as he saw it are worth nothing. He said:

"When I was transferred from my province to the Department of the Government of India in 1935, the number of officers therein was six. One Member of Council, one Secretary, one joint Secretary, two Deputy Secretaries and one Under Secretary.

The other day, working at the Delhi Telephone Directory, I found that the staff in that Department now is one Minister, one Deputy Minister (there are one Secretary, one Additional Secretary, four Joint Secretaries, fourteen Deputy Secretaries and 23 Under Secretaries."

He goes on to say:

"Moreover, 20 years ago, the world had a direct access by telephone to all official, not excluding the Member of Council. Now everyone down to Deputy Secretaries has at least one Private Secretary or Personal Assistant protecting their masters from

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interruption by telephone or otherwise

As regard "otherwise" the procedure introduced during the war for preventing invasion of the Secretariat by visitors is still in force; and unless one makes previous arrangements with the official one wants to see, it is not easy to get at him."

Therefore, it is imperative to have a thorough probe into the system of administration, especially with regard to economy and efficiency. The United States of America set an example before us. Although it is a rich country compared to India and can afford to be extravagant in regard to Governmental expenditure, it also realised that it is spending too much money upon the administration. So, it instituted the Hoover Commission in 1947. It was presided over, by the great President, Mr. Herbert Hoover. It took two years for the Commission to examine the administration of the Federal Government. As a result of implementing the recommendations of the Commission, a saving of nearly three billion dollars was effected. In paper work alone a saving of 288 million dollars was effected.

Imagination would delight in visualising the amount of money that can be saved in India by cutting down the paper work in our offices. It is therefore necessary to have an efficient and economical administration in the interests of the poorest people in the world.

All the money that the Government can command must be spent on rendering services, on redressing the grievances of the people with regard to poverty, with regard to under-employment and unemployment, with regard to under-nourishment and with regard to housing and clothing or any deficiencies in their day to day life. A wise statesman has aptly remarked: "I want saving not because I want to save money but because I want to save people."

On the whole, it can be said that in spite of unbearable burdens heaped on the people, the Government have failed to direct the necessary resources to the Plan. The more they get from the people, the more they squander away and ultimately resort to deficit financing for financing the Plan. They impose taxes in the name of avoiding deficit financing, but their needs seem to be so great that no amount of deficit financing is going to help them. So, the conclusion from these facts with regard to the expenditure of the Government of India is that everywhere expenditure has grown is growing and ought to be diminished.

17 hrs.

I come to deficit financing, The proposed Plan outlay in 1960-61 is Rs. 1126 crores. Taking the foreign aid at the budget figure of Rs. 362 crores and assuming the flow of savings into the Plan to continue at the average rate of the past three years, any attempt to cover this gap of Rs. 177 crores by credit creation will but bedevil the economy without taking it forward.

It is very interesting to see that during the first Plan the total amount which was spent was roughly Rs. 2000 crores in five years. Out of this amount, only 36 per cent was found by foreign borrowings and deficit financing. The picture is entirely different now. During the first three years, as much as 63 per cent of the money has been raised through foreign borrowings and deficit financing and it is very difficult to estimate at the end of the second Plan whether this percentage would not be still higher.

During the first three years of the Plan the budgetary deficit was of the order of Rs. 950 crores and at the end of the Plan, it might be well over Rs. 1200 to Rs. 1300 crores.

Money-supply has also been expanding much faster than the national

output. It rose by 24.4 per cent from Rs. 1921 crores in 1954-55 to Rs. 2389 crores in 1957-58. Since then money-supply has established new records, the amount in May 1959 being Rs. 2536 crores.

What was the net effect? The net effect was a rise in the general index of prices from 89.6 crores in 1954-55 to 106.1 in 1957-58 and 115.5 in June, 1959 (1952-53=100), a rise of 28.8 per cent, or 8.1 per cent per year.

Shri Kalika Singh: The quotation should be ended now.

Shri D. R. Chavan: I am giving the figures. The figures cannot be remembered.

Mr. Speaker: He has made a study of it. He should conclude now. He can have another opportunity.

Shri D. R. Chavan: I will conclude in a minute. The price index of food articles rose still higher by 44.1 per cent or 11.1 per cent per year. The prices of foodgrains, a part of food articles, rose steeper still.

The mechanics of how inflation undermines progress towards a society is simple. When moneys flow into circulation to which no physical output corresponds, i.e. when inflation takes place, the money receipts of some people in the economy are bound to involve unmerited windfall gains. Logic and experience have identified these beneficiaries of inflation to be traders, businessmen and industrialists, the middle and upper classes of society, their benefit being at the expense of the fixed money income groups, i.e., the workers, peasants and the poorer sections of the community. Not until the flow of money income is duly adjusted to match the stream of national output and the balance between the two is continually maintained by strict fiscal and monetary policies can we expect accelerated economic and social progress.

The point I have made above will be made clear by the analysis of na-

tional income. The national income is an economic barometer. Details of national income tell us about the dependence of the country on different economic pursuits and as such invite attention to any imbalance that might be there.

Such studies also bring to light the economically weak spots within a nation and also throw light on the distribution of wealth. But a *per capita* income is no dependable index of the economic conditions of the masses of the people. A very large section of the Indian people have an income much below the *per capita* income.

Mr. Speaker: He must conclude now.

Shri D. R. Chavan: I will conclude in a minute, Sir.

Mr. Speaker: I am sorry; how many more minutes can I allow? He should resume his seat now. Shri Bhagavati.

Shri Bhagavati (Darrang): I welcome the budget proposals. Perhaps not many will object to the taxation proposals which will bring in an additional revenue of about Rs. 23 crores, though one may wish that it would have been better if taxation on cycle-parts, certain motor vehicles and co-operative societies could be avoided. There is, however, a feeling that Government come forward with new taxation without plugging the loopholes in the existing structure of taxation. For creating proper climate for new taxation, the Government should continue its endeavour with greater vigilance to minimise tax evasion. Taxation, indeed, cannot be considered to be bad, when it is meant for reducing deficit which is inevitable in a developing economy. Because, deficit financing beyond a certain limit may cause inflation and indirectly cause everybody to pay more. What is very important is that neither taxation nor deficit-financing should be allowed to set in motion inflationary spiral resulting in

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increased cost of living. The ultimate success of the national budget will be judged by the contribution it makes to solve the problem of the housewife in balancing her household budget because while the Finance Minister can meet the deficit by expansion of Treasury Bills, the housewife cannot. Therefore, it is right and proper that the housewives should be helped to balance their budgets by reducing the price index.

The budget proposals are to be viewed from another standpoint to which the Finance Minister has drawn attention. He has stated that the proposals for the coming year, particularly those widening the base of taxation, have been formulated with the need of the Third Plan in view. As this and the next budget have to create favourable conditions for the Third Plan, it is but natural that the Finance Minister wants to widen the base of taxation. But the important question that arises in this connection is how far the economy of the country has been put on a self-generating basis and it has shown signs of expansion. I have no doubt that our economic policy is quite sound. Shri Masani stated sometime ago that the economic laws are stronger than a strong government and, ultimately, the economic laws will reverse the economic policies pursued by the Government. I should like to say that the economic policy pursued by this Government is in tune with the economic laws and only when the Government pursue the economic policies vigorously will they be successful; otherwise not. The establishment of basic industries, power projects and research laboratories is a step in the right direction. But we cannot ignore certain defects. The Finance Minister has himself admitted that despite the encouraging trends in both agricultural and industrial production, wholesale prices and cost of living have shown a significant rise. The cost of living in 1959 increased by 5.2 per cent over that of 1958. The year in which the number of unemployed persons has increased is also an

indication of a flaw in the planning system.

The major defect in our economy seems to be that stability or security has not yet been ensured. It has been stated in the *Economic Survey*, 1959-60 that the pressure on resources since the beginning of the Second Plan has been aggravated by the sharp fluctuation in agricultural output. Continued and steady upward trend is not always ensured in the field of industry also. In 1957, the industrial production index has increased by 3.5 per cent whereas in 1958 by only 1.7 per cent, though in 1959 the increase is 7.4 per cent over the year 1958. Because of these instabilities, the national income becomes uncertain. It has been stated in the *Economic Survey* that national income in 1958-59 increased by 6.8 per cent while it had fallen in the previous year by 1.5 per cent mainly because of poor outturn of agriculture.

It is, therefore, necessary to take corrective measures to eradicate defects which lead to uncertainty or instability in our economy. Primarily, we have to remove the root causes of instability in our agriculture, because agricultural income contributes about 50 per cent to our national income and 70 per cent of the population depend on it. Cultivators' main source of income is prices which they get from their produce. So prices play an important part in agriculture. Agriculture in India is not only a gamble on monsoon but also on prices. Between September 1954 and June 1955 agricultural prices fell erratically, but prices of manufactured goods did not. Between July 1955 and March 1956 agricultural prices rose and not of manufactured goods. Big crop means prosperity to the consumers, while it means calamity to the agriculturists who grow it. There lies the contradiction in the situation. In such circumstances, there can be no incentive for the cultivators to step up production. The hon. Finance Minister has said that the first pre-requisite of success is increased agricultural produc-

tion. If that is so, the agriculturists should be ensured of a stable price and steady market. At present one engaged in agriculture has the lowest income, except one engaged in domestic service. In 1950-51 the net output per employed person in any industry or trade was valued at Rs. 670 for the whole of the national income. The output per person engaged in agriculture alone was Rs. 500 while the corresponding figure for the mining and manufacturing industries was Rs. 1,700, banking and insurance Rs. 1,600, commercial and transporting activities Rs. 1,500 Government services Rs. 1,100 and domestic services Rs. 400. It is therefore important that a definite price policy is followed so that the agriculturists can be assured of a reasonable income. Unless there is a definite agricultural price policy credit cannot be linked up with marketing. If that cannot be done, co-operative credit and marketing movement cannot grow or develop. There should be parity of prices between cash crops and food crops and also agricultural commodities and non-agricultural commodities.

In this context I should like to say that the policy of State trading in foodgrains should be pursued vigorously. It can be best done through producers and marketing co-operatives on the one hand and consumers' co-operatives on the other. In the United Kingdom, U.S.A. and some other countries the State has taken necessary steps to give security to the agriculturists. In U.K. a fair income is given to the agriculturist on the basis of global income in the agricultural sector. In Sweden, fair price is fixed on the basis of cost of production. In U.S.A. the equity concept is linked up with the parity concept. India has to take similar steps to stabilise agricultural income. The minimum price should be fair price. It should include cost of production and a reasonable margin of profit. If the consumers are to be given any concession in price, the Government should do so by price support.

Apart from price stabilisation, there are other insecurities under which the agriculturists suffer due to various reasons such as, flood, drought, cattle mortality, pest menace etc. It is high time that the Government think of introducing agricultural insurance scheme against such eventualities.

Sometimes a controversy is raised as to whether emphasis should be given on agriculture or on industry. I do not think there is any conflict between agriculture and industry. For a planned development, both should receive due importance. One is certainly dependant on the other. We cannot develop agriculture in the modern sense if we do not have improved implements, pesticides, fertilisers and electricity, and for all this we must have industrial plants.

Gandhiji described the spinning wheel as science reduced to the terms of the masses. Now, we have to apply this dictum in formulating our Third Plan. That will remove the defects or loopholes which are there in our planning. At present we have seen that in many schemes, major investment is on establishment or buildings and very little is left for production heads. That mistake is not to be corrected.

The Third Plan should also provide for village plan. A reasonable amount should be provided for each village in India, and the people in each of the villages should be given the fullest authority to spend the amount on production work as they choose. There should be no control or even guidance from any other quarter. That may give initiative and generate enthusiasm among the people for economic planning. The people generally do not have any quarrel with the objective of our Plan. The criticism mostly is regarding avoidable delays, wasteful expenditure or bad implementation of the schemes under the Plan, the reason being, as has been admitted by the people in authority, that the administration cannot cope with the work. It is, therefore, essential to streamline the administration from the point of view of integrity and efficiency.

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Another aspect of the administrative reform is to simplify the method of work, by revision of rules and procedure. I do not know why, after a Demand has been granted, by Parliament or State legislature, a Ministry or department has to take fresh sanction for expenditure under that head. Then again, there is too much of centralisation, though Panchayat raj is being established. It appears that the State Governments, now, cannot proceed with many works without prior sanction from the Centre. All this complicates matters and causes unnecessary delay. Reforms in these directions are urgently called for.

I should like to request the Government and the Planning Commission to keep in mind the requirements of the underdeveloped States, while preparing the Third Plan. Removal of disparities is a directive principle of our Constitution. I submit that in giving effect to this principle, Assam should get preference in the Third Plan in the matter of transport and communications, irrigation and power projects and industries. A master plan should be drawn up for control of floods in that State with integrated schemes for control of erosion and other measures of irrigation.

We have accepted that our social order is to be based on socialism. It is necessary that this is always kept in view in framing our economic policies and plan. Though slogan-mongering has no meaning, in the initial stage it is always better to mention how the socialistic approach has been maintained in the Budget proposals. It should be clearly demonstrated how the economic disparity or the gap between the rich and the poor is being removed or bridged by the Budget proposals. The economic survey should at least explain in detail how the socialistic approach has been maintained in the Budget and how progress has been made in that direction in the course of the year under review.

I congratulate the Government for accepting the unanimous recommendations of the Textile and Cement Wage Boards. I hope the recommendations will now be implemented. I should also like to request the Finance Minister to accept the recommendations of the Pay Commission regarding arbitration. This is very important from the workers' point of view.

Last time, I referred to the problem of the closed or mismanaged tea gardens, in my speech here. The question was said to be receiving the attention of Government, but, so far, Government have taken no step in this direction. I would once again urge upon Government to bring forward a legislation empowering the State Governments to take such steps as may be necessary to protect a tea garden from closure or mismanagement.

I should like also to refer to the two State taxes on tea. Assam carriage tax is at the rate of one anna per lb. The West Bengal Government's entry tax is also one anna per lb. of tea which enters Calcutta for auction. The present position is that Assam tea has to pay one anna per lb. as Assam tax and one anna per lb. as Bengal tax, thus making a total of two annas per lb., whereas Bengal tea has to pay one anna per lb. only, which makes Assam tea less economic than Bengal tea. On the top of it, Assam tea has to travel a longer distance which makes Assam tea still more uneconomic than that of West Bengal. It is, therefore, necessary that these two State taxes are replaced by a Central tax of one anna per lb. on all teas, and the proceeds distributed to Assam and West Bengal in proportion to their teas.

Finally, teas which are sold in West Bengal for consumption may qualify for octroi tax, but teas which enter Calcutta only for auction for export do not merit octroi tax like entry tax. Entry or octroi tax should be defined as consumption tax only. I would request the Central Government to take steps so that no State can levy

any such tax on goods sold or auctioned in a particular State for export abroad or to other States within the country.

It is a matter of great satisfaction that the Prime Ministers of India and China are going to meet shortly and find out a basis for the settlement of the border disputes. I do not understand why some hon. Members object to the invitation by our Prime Minister to the Chinese Prime Minister, and why they are not happy at the proposed meeting. What I feel is that it will be a tragedy if India—whatever may be the attitude of another country—has to speak in the cold war language at a time when even big military Powers are talking of peace and disarmament. It does not mean in any way that the violation of our border is to be tolerated. But it has to be remembered that the attack by Communist China is not only an attack on our territory, but it is a challenge to our ideology or to our way of thinking. At this time of crisis, we have to be very careful, and maintain a stand by which we can not only preserve the integrity of the country but also the tradition of Indian revolution and high principles for which India stands. The Nehru approach to this problem is, therefore, the right approach. While the door for discussion or negotiation should always be kept open, our efforts to strengthen our internal position should not be slackened, because whenever we negotiate, we can negotiate properly only from a position of strength, —moral and material.

In this connection, I would like to submit that the North East Frontier was long neglected and much has now to be done to strengthen it. I may be allowed to quote here a passage from an editorial of *The Statesman*. It reads thus:

“Richly endowed with natural resources, Assam is frequently afflicted by floods, drought, erosion and earthquakes. Not least, the State's frontiers are thrust like a

vulnerable finger into one of the wildest and now most troubled regions in the world”.

I am confident that Government are fully alive to the situation and they will take all necessary steps.

Shri V. Eacharan (Palghat): Mr. Speaker, Sir, I congratulate the Finance Minister on having given us a realistic picture of the country's economy. He also said that the Budget is based on greater development, higher production and better standard of living. It is true that the conditions of the village people have improved considerably due to the First and Second Five Year Plans. This is the last Budget of the Second Five Year Plan period. During the Plan period, industrial production has improved considerably. Certain industries have exceeded the targets fixed. This is taking the country as a whole.

So far as my State, Kerala, is concerned, the industrial development is very meagre. Kerala is very poorly industrialised. The State has got none of the big industries either in the public or private sector. There are so many big industries in the public sector in other States where large number of people can be employed. Take, for example, the Heavy Electrical Industry of Bhopal and the steel plants and other big industries. Undertakings like these will employ 30,000 to 40,000 people. There is nothing of the kind in Kerala where the unemployment problem is acute.

The other day the Minister of Industry replying to a question said that two more heavy electrical industries would be established in the public sector. One of these should be in Kerala. Such an industry will employ 30,000 to 40,000 people. Then half of the unemployment problem, which is the main problem in Kerala, will be solved.

The Minister also said that the Government had set up a Committee to recommend sites for the units. I would point out that if industries under

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the public sector are located only on technical considerations, backward and poorly industrialised States like Kerala will be lagging behind and will remain backward for ever.

As regards small-scale industries, all encouragement should be given in Kerala, including training facilities. Many people of my State are not industry-minded. They always favour government jobs and office work. This is mainly due to the fact that they need not spend any additional money except what they have spent on their education. Establishment of industries involves investment of large funds. Due to these difficulties, people are always going out in search for jobs outside. If industries are started in the State, they will settle there itself.

I am glad that the Government have decided that the second Shipbuilding Yard will be located at Cochin. This will take some time to start functioning. When it starts functioning, some of these problems will be solved.

Regarding agriculture, the Finance Minister has said that crop prospects are better this year. Whatever may be the prospects, we are not producing enough for our country's needs. In this connection, I would like to say a word about the World Agriculture Fair held in Delhi. This could help

agriculturists to understand the new methods of cultivation and adopt them.

The Minister of Agriculture, Dr. P. S. Deshmukh, deserves all congratulations for this. I hope the House will agree with me in this.

I have to point out that unfortunately the question of agriculture is not receiving sufficient attention from the departments of Government. It is true some of the industries have exceeded the production targets. At the same time, the production of fertiliser which is required for higher production, has not reached the target. Even now, we have to import fertilisers at high prices and along with that food-grains also. If they take a little more interest and a little more care, more fertilisers can be produced and the country made self-sufficient in these chemicals.

Mr. Speaker: Has the hon. Member much more to say?

Shri V. Eacharan: Yes, Sir.

Mr. Speaker: Then, he may continue tomorrow. The House will now stand adjourned till 11 A.M. tomorrow.

17.30 hrs.

The Lok Sabha then adjourned till Eleven of the Clock on Tuesday, March 8, 1960/Phalguna 18, 1881 (Saka).